

Ref. no. : Ethos/Secretarial/2024-25/36

Dated: September 5, 2024

**BSE Limited**  
**Phiroze Jeejeebhoy Towers,**  
**Dalal Street, Mumbai – 400 001**

**National Stock Exchange of India Limited**  
**Exchange Plaza, C-1, Block G,**  
**Bandra Kurla Complex, Bandra,**  
**Mumbai - 400 051**

**Scrip Code : 543532**

**Trading symbol : ETHOSLTD**

**ISIN : INE04TZ01018**

**Subject : Intimation under Regulation 34 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pertaining to Annual Report for the financial year 2023-24 along with the Notice of 17<sup>th</sup> Annual General Meeting of the Company**

Dear Sir/Ma'am

Greetings from Ethos.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that **17<sup>th</sup> (Seventeenth) Annual General Meeting (AGM)** of the Company will be held on **Friday, September 27, 2024 at 10:30 a.m.** (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"). The venue for the AGM shall be deemed to be the Registered Office of the Company.

In compliance with Section 108 of the Companies Act, 2013 read with rules made thereunder, Regulation 44 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, in terms of General Circular no. 09/2023 dated September 25, 2023, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company. Those members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM on all the resolutions set forth in the Notice of the 17<sup>th</sup> AGM.

The Notice of 17<sup>th</sup> AGM and the Annual Report for the Financial year 2023-2024 have been sent to all the Members on **Thursday, September 5, 2024** whose email addresses are registered with the Company/Depository Participants/KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company.

We are giving hereinbelow the details relating to the AGM of the Company for the information of our valued investors: -

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**ETHOS LIMITED**

**Registered Office:**  
Plot No. 3, Sector III, Parwanoo,  
Himachal Pradesh - 173220, India

**Corporate Office:**  
Kamla Centre, S.C.O. 88-89, Sector 8-C,  
Chandigarh - 160009, India

**Head Office:**  
Global Gateway Towers A, 1st Floor, MG Road,  
Sector 26, Gurugram, Haryana - 122002, India

<b>Day, date, time, and venue of 17<sup>th</sup> Annual General Meeting</b>	<b>:</b>	<b>Friday, September 27, 2024 at 10.30 a.m. IST Deemed venue: Registered Office of the Company at Plot no.3, Sector III, Parwanoo 173 220, Himachal Pradesh</b>
<b>Mode of AGM</b>	<b>:</b>	<b>Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”)</b>
<b>Cut off/Record date for determination of shareholders for voting on resolutions</b>	<b>:</b>	<b>Friday, September 20, 2024</b>
<b>Closure of Register of Members and Share Transfer Books</b>	<b>:</b>	<b>Saturday, September 21, 2024, to Friday, September 27, 2024 (both days inclusive)</b>
<b>Commencement of Remote e-voting</b>	<b>:</b>	<b>9.00 a.m. (IST) on Tuesday, September 24, 2024</b>
<b>End of Remote e-voting</b>	<b>:</b>	<b>5.00 p.m. (IST) on Thursday, September 26, 2024</b>

We are enclosing herewith the following for the information of our valued investors: -

- a) Annual Report for the financial year 2023-24
- b) Notice of 17th Annual General Meeting of the Company

The Notice of 17<sup>th</sup> AGM and Annual Report for the financial year 2023-24 is also made available on the Company's website i.e., <https://www.ethoswatches.com/investors-information/financial>

We would request you to please take the same in your records and oblige.

Thanking you

Yours truly  
For **Ethos Limited**

**Anil Kumar**  
**Company Secretary and Compliance Officer**  
**Membership no. F8023**

**Encl.: as above**

— **ETHOS LIMITED** —

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**A C C E L E R A T I N G   W I T H   T I M E**

# Contents

## 01 CORPORATE OVERVIEW

Tempo of Progress	04
Geographical Presence	06
Expedition in time	07
Business Model	08
Financial Highlights	10
Chairman's Message	12
What we offer – Your Gateway to Luxury Timekeeping	14
Brand Partnerships	16
New stores opened in FY 2024	18
Second Movement	20
Our Strategic Priorities	22
Fuelling Business Expansion: Forward-Thinking Sales and Marketing	24
Stakeholder Engagement	28
Environment Stewardship	34
Our People	37
Social	40
Corporate Governance	41
Board of Directors	42
Leadership Team	43
Corporate Information	44

## 02 STATUTORY REPORTS

Notice to Members	45
Board's Report	52
Business Responsibility and Sustainability Report	60
Management Discussion and Analysis Report	88
Report on Corporate Governance	102

## 03 FINANCIAL STATEMENTS

Standalone Financial Statements	131
Consolidated Financial Statements	197

### FORWARD-LOOKING STATEMENTS

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Scan the QR code to know more about the company



Website  
[www.ethoswatches.com](http://www.ethoswatches.com)



To view the report online, log on to  
[www.ethoswatches.com/investors-information/financial](http://www.ethoswatches.com/investors-information/financial)

In the realm of luxury and precision,  
Ethos Limited shines as a beacon of

# innovation and excellence.

Founded in 2003, with our first store in the charming city of Chandigarh, we proudly stepped into the watch retail sector as one of India's pioneers. Over the past two decades, we've grown to become India's premier retailer of premium and luxury watches. Our journey, much like a finely crafted timepiece, is marked by precision, passion, and a relentless pursuit of perfection, constantly pushing the boundaries of luxury.

In 2022, we made history as the first luxury watch retailer in the country to go public, with our shares listed on the BSE Limited and the National Stock Exchange of India Limited.

Our growth story is one of embracing change while honouring tradition. We seamlessly blend the timeless elegance of our boutiques with the dynamic energy of the digital age. This harmonious mix is at the heart of our strategy, creating a unique experience that goes beyond the ordinary. We invite our customers to explore and purchase from our extensive collection both in-store and online, enjoying an experience that is as effortless as it is exquisite. This approach not only solidifies our leadership in luxury retail but also underscores our commitment to adapting and thriving in a constantly changing market.



Looking ahead, Ethos is ready to continue its remarkable journey of growth and innovation. The luxury watch market in India is a canvas full of endless possibilities, and we are excited to lead the way. Through exclusive partnerships and a growing portfolio of distinguished brands, we are dedicated to elevating the standards of luxury retail. Our unwavering **focus on quality and customer satisfaction** is the driving force behind our success, ensuring that Ethos not only keeps pace with the times but accelerates into a

**future of unmatched  
prestige and achievement.**

## Tempo of Progress

Established in 2003, Ethos Limited has emerged as one of India's leading retailers of luxury watches. We proudly offer a curated selection of over 65 premium and luxury brands through boutiques spread across 24 Indian cities. Our extensive network caters to the growing demand for exquisite timekeeping throughout the country.

With over two decades of industry expertise, we provide a seamless omnichannel experience for our customers. By integrating our physical boutiques with a robust online presence, we enable watch enthusiasts to explore our extensive collection and connect with our knowledgeable team. This commitment to accessibility and convenience reinforces our position as a leading destination for luxury watches in India.



## Our Vision

To be the largest and finest retailer in the WORLD, with exemplary customer service and ethical standards.



## Our Values



Respect for People



Customer First



Excellence



Integrity and Transparency



Passion and Intensity



Commitment and Ownership

### FOUNDATION OF EXCELLENCE



Listed on BSE & NSE

Holds

53.83%

along with its wholly owned subsidiary



Premium & Luxury Watch Retail

100%

Cognition Digital LLP (Subsidiary)

IT & IT based business for retail and distribution

50%

Pasadena Retail Pvt Ltd (JV)

Watch Retailer

100%

RF Brands Pvt. Ltd. (Subsidiary)

Distribution of Watches

35%

Silvercity Brands AG (Associate)

Holding and management of Intellectual property rights

India's largest chain of premium and luxury watch retailer

**65+**

Premium & Luxury watch brands in India.

**7,000+**

Premium, Bridge to Luxury, Luxury and High Luxury watches

**63**

Physical retail stores in

**24**

Cities in India

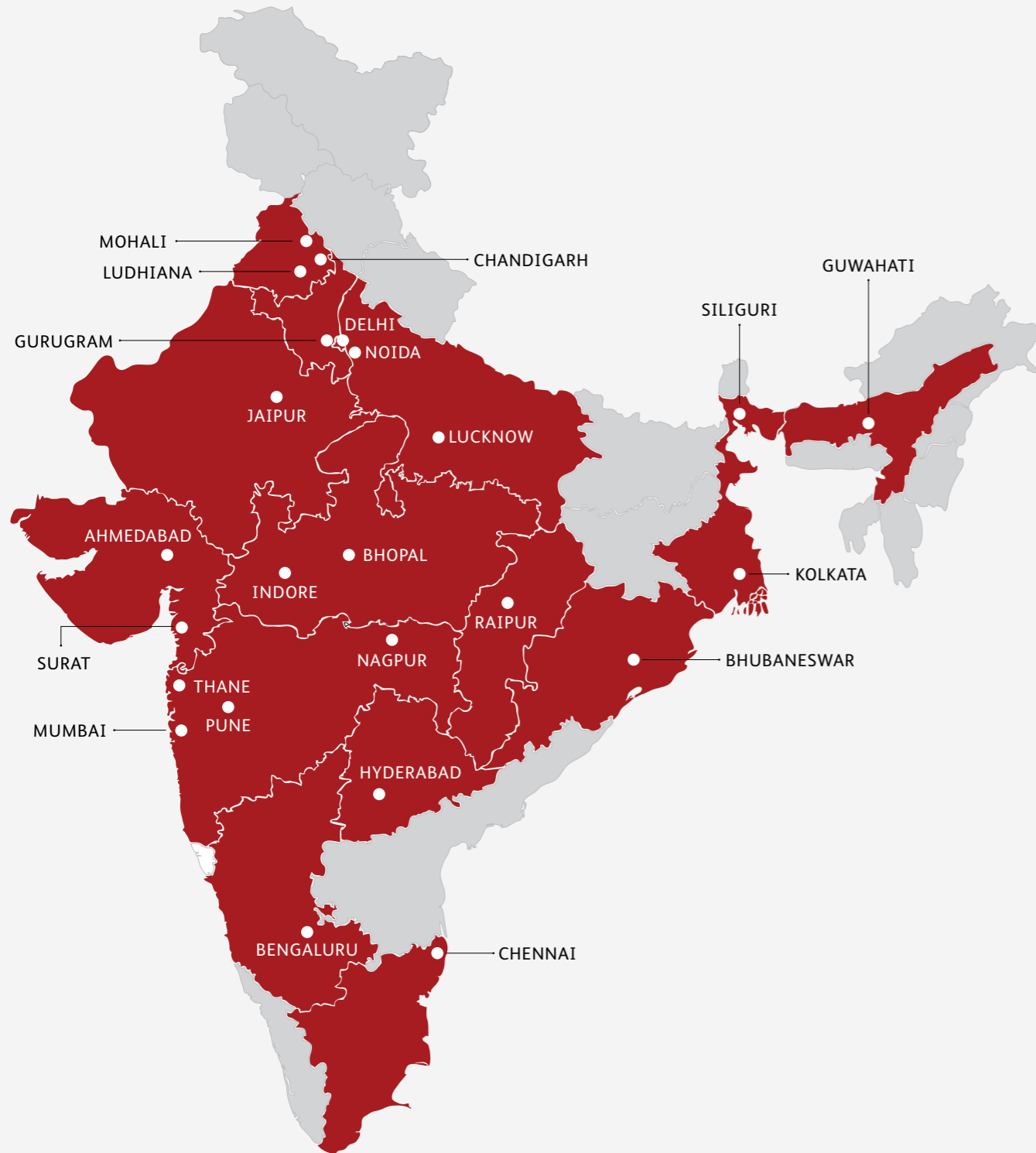
**51+**

Exclusive brands

**628**

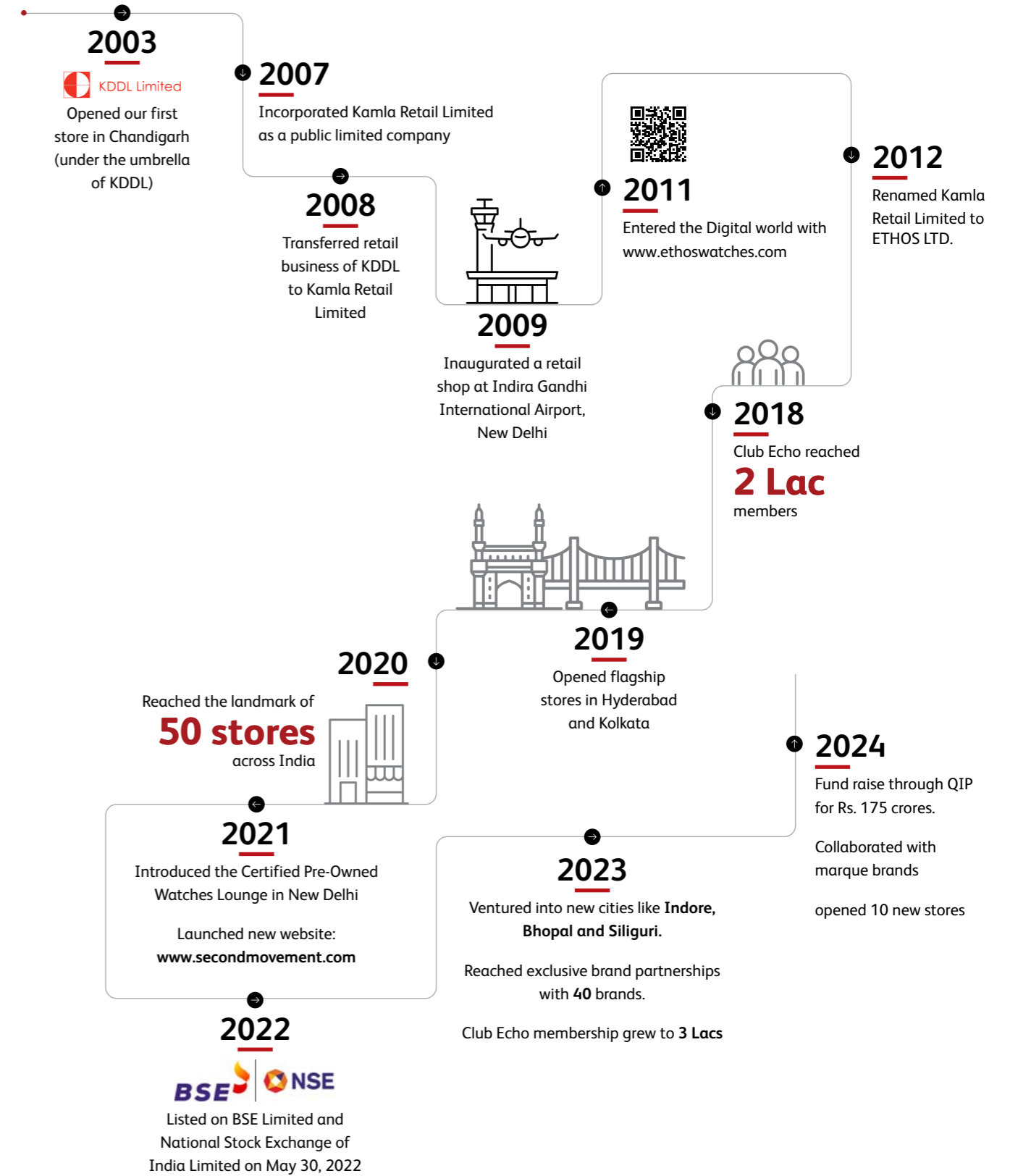
Employees

## Geographical Presence













Map not to scale. For representation purpose only

## Expedition in time



## Business Model

### OUR OFFERINGS

-  **Luxury and Premium Watch**
-  **Pre-owned Watch**
-  **Jewellery**
-  **Watch straps**
-  **Watch Winder**
-  **Jewellery box**
-  **Collector box**
-  **Clocks**
-  **Product repair and service**
-  **Luxury Luggage**

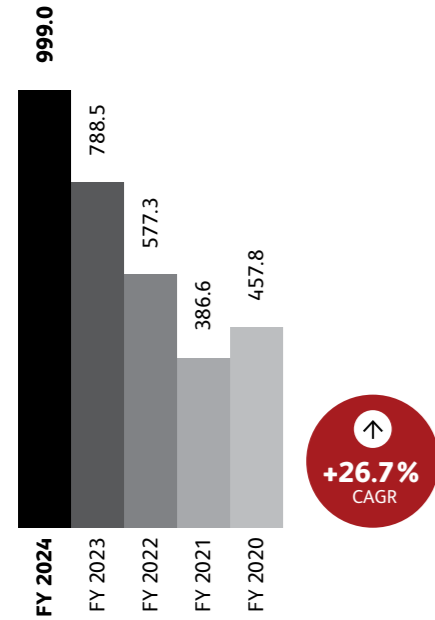




# Financial Highlights

## REVENUE

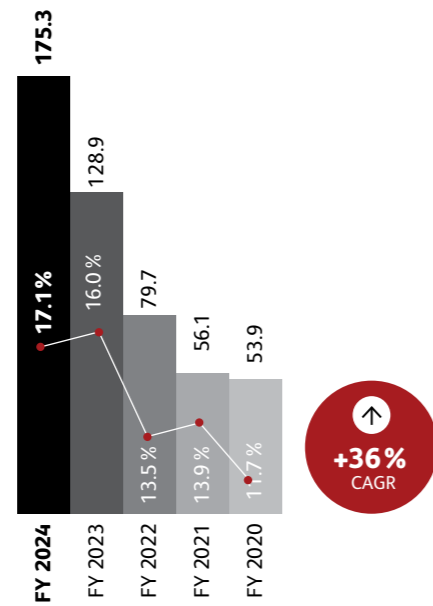
(₹ in Crore)



## EBITDA AND EBITDA MARGIN

(₹ in Crore)

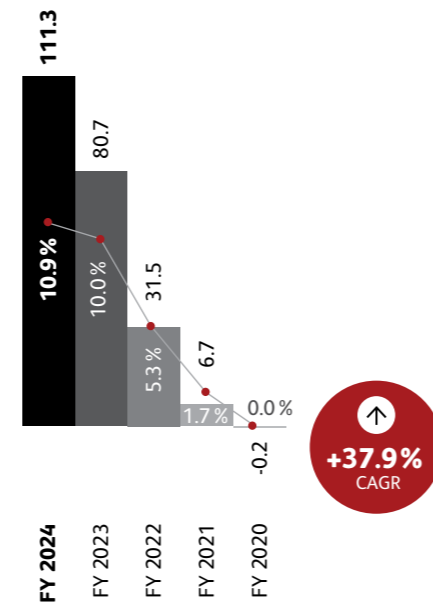
■ EBITDA — EBITDA margin



## PBT AND PBT MARGIN

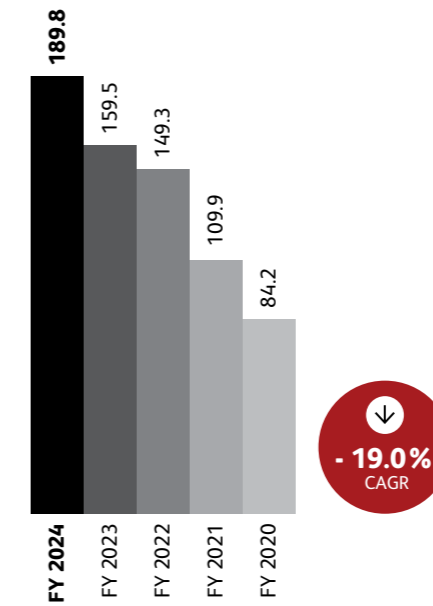
(₹ in Crore)

■ PBT — PBT margin



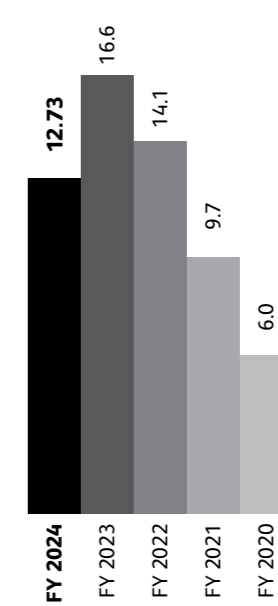
## AVERAGE SELLING PRICE

(₹ in 000)



## ROCE

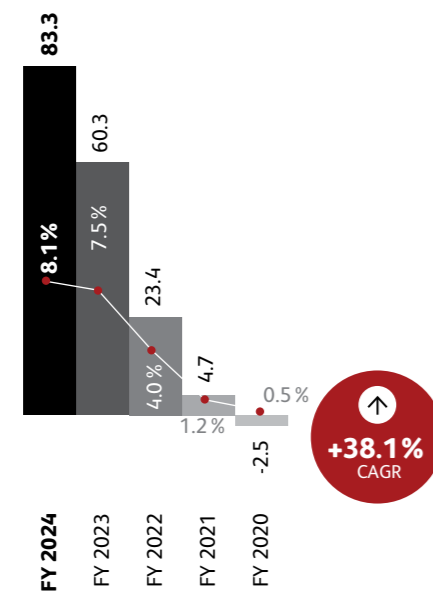
(in %)



## PAT AND PAT MARGIN

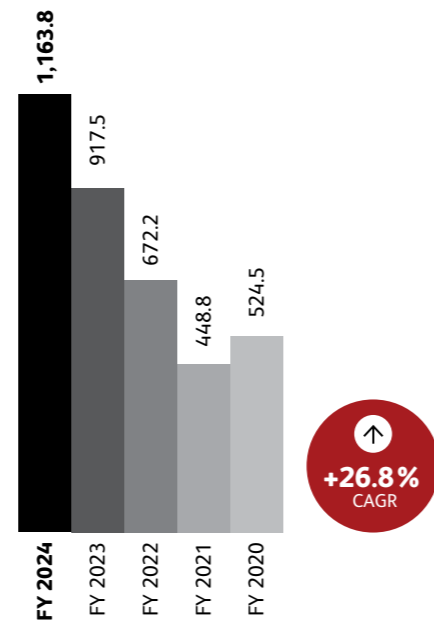
(₹ in Crore)

■ PAT — PAT margin



## TOTAL BILLING

(₹ in Crore)



## MARGIN MAINTENANCE



### Strong Demand

Despite facing global challenges, India's luxury market thrived in FY23, driving record growth for Ethos



### Rising Clientele

A growing number of high net-worth individuals in India fuelled the surge in demand for premium and luxury watches



### Adapting to Challenges

We addressed supply chain disruptions by optimising purchasing and production processes.



### Enhanced Efficiency

Improved process controls, quality checks, and inventory management led to higher gross margins.

## EMERGING INVESTMENT OPPORTUNITIES

- Ethos is poised for substantial growth with plans to inaugurate 40 new watch boutiques across various Indian cities by FY25. This expansion strategy includes metros, Tier 1, 2, and even Tier 3 cities.
- Expanding into underserved cities is expected to drive sustainable growth and cater to a rising customer base across India.
- Plans include not just new stores but also scaling up additional luxury product categories to further diversify our offerings.

## MAXIMISING SHAREHOLDER'S VALUE



### Efficient Growth

Our investments are strategically allocated to maximise return on capital employed, ensuring that revenue growth consistently outpaces expenditures.



### Profitable Segment

The certified pre-owned watch segment offers high demand and operational efficiency, contributing significantly to shareholder value.



### Targeted Expansion

We are planning open dedicated stores exclusively for certified pre-owned watches, further capitalising on this lucrative market opportunity.

## Chairman's Message



“  
Today, we are India's largest luxury and premium watch brand, delivering a content-led luxury retail experience to our customers through our online and physical presence.”

## Steering growth for next decade and beyond

### DEAR SHAREHOLDERS

It gives me immense pleasure to share with you our annual performance report for the financial year 2023-24. For more than two decades, we have lived up to customer expectations and will continue to scale new heights in our brand reputation and recall, while strengthening our foundation as a responsible business.

Today, we are India's largest luxury and premium watch brand, delivering a content-led luxury retail experience to our customers through our online and physical presence. Interestingly, the demand for our products is directly proportional to the growing number of high net-worth individuals and the desire for a better quality of life for millions of citizens in India.

**If we look with a broader lens at our industry, we see major tailwinds such as India's growing stature on the world stage and especially stronger relationships between India and Switzerland. Good relationships between India and Switzerland have received a further fillip, with the signing of the European Free Trade Association (EFTA) agreement. The agreement will enable India to gradually enhance trade and investment between the two regions. In this context, India will gradually phase out custom tariffs under its trade agreement with the EFTA block.**

We anticipate a surge in supply and demand for luxury timepieces in the coming years, coupled with improved profit margins due to the recent signing of the India-EFTA (European Free Trade Associations) trade agreement. This landmark agreement will gradually reduce custom duties on Swiss watches, building a more conducive environment for the luxury watch industry in India. We anticipate an influx of new luxury brands, entering the Indian market, which will enable us to enrich our offerings. Ethos will continue to be a catalyst in driving the demand for premium luxury watches. Our loyalty program and robust social

media presence have been instrumental in cultivating a loyal customer base, with over 46% of our business coming from repeat customers.

### Growth strategy

We will continue to focus on expanding our physical store network and increasing our market share. We are committed to increasing our portfolio of watch brands and fostering enduring relationships with our esteemed customers. Insights from our HNI customer database is extended into other premium and luxury product categories.

Additionally, we are growing our certified pre-owned luxury watch retail business, providing our customers with a wider range of options and strengthening our market position. By harnessing technology, we aim to drive more sales and gather valuable data to sharpen our expansion strategy. We will continue to pursue this growth strategy through targeted capital investments in our showrooms, selective acquisitions and driving underlying operational leverage. By doing so, we aim to enhance our market presence and deliver long-term value to our shareholders.

### Community empowerment

Beyond business priorities, we remain committed to various community-focused initiatives as well as sustainable business practices. Our **Million Tree Project** showcases our resolute emphasis on environmental sustainability and enables us to strengthen our foundation as a responsible organisation. Our commitment to the community is reflected in our support for various social causes, focusing on education, health and conservation of the environment

### Road ahead

Our vision is to significantly increase the proportion of exclusive brands in our portfolio. To achieve this objective,

we continue to focus on strategic partnerships and building a robust digital ecosystem. Our upcoming app and website overhaul will prioritise enhanced user experience, personalisation, and concierge services.

To support our ambitious growth plans, we recognise the critical importance of talent development. We will continue to invest in our training programs to build a skilled workforce and implement strategies to improve employee engagement and retention. This holistic approach to human capital development will be instrumental in achieving our 10x revenue target within the next decade.

Before concluding, I extend my gratitude to our valued customers, dedicated employees and esteemed investors. Your support has been instrumental in our journey. We remain committed to driving sustainable growth, enhancing shareholder value, and setting new benchmarks in the luxury watch retail industry.

Thank you for your continued trust and confidence in Ethos

Sincerely,

**Yashovardhan Saboo**  
Chairman and Managing Director

## What we offer – Your Gateway to Luxury Timekeeping

### WIDE RANGE AND SEGMENTS OF OUR PRODUCTS -

**Premium Segment**

Ranging from Rs.0.25 lakhs -  
Rs.1 lakh per watch



**Bridge to luxury segment**

Ranging from Rs.1 lakh -  
Rs.2.5 lakhs per watch



**Luxury watch segment**

Ranging from Rs.2.5 lakhs -  
Rs.10 lakhs per watch



**High luxury segment**

Ranging from Rs. 10 lakhs  
and above per watch

### SERVICES

Ethos goes beyond exceptional sales. We take pride in looking after our client’s treasured timepieces. Our state-of-the-art service facility, Ethos Watch Care in New Delhi, is equipped with cutting-edge technology. Here, highly skilled and certified technicians, boasting a combined experience exceeding 100 years, ensure the longevity and flawless operation of every watch entrusted to us.



## Brand Partnerships

At Ethos, we have built strong, long-lasting relationships with over 65 of the world’s most prestigious watch brands. These partnerships go beyond just sales; they represent collaborative efforts to authentically convey each brand’s unique essence to our discerning clientele.

This extensive network solidifies our position as a leader in the Indian luxury watch market. It fuels innovation by granting us access to cutting-edge products and strategic insights, ultimately strengthening our market presence and cultivating a loyal customer base.




## New stores opened in FY 2024

In conjunction with advancing our digital network, we are also dedicated to expanding our physical footprint across India. During the fiscal year 2024, we have established 10 new stores in diverse locations throughout the country, aiming to enhance our brand visibility and strengthen our market position.



G-4, Solaris The Address, Surat - Dumas Rd, opposite Big Bazaar, Piplod, Surat - 395007



Unit No. G-02 & 03, Utkal Kanika Galleria Mall, Goutam Nagar, Bhubaneswar - 751014



Unit No G7 & G8, Ground Floor, Palladium Mall, Sarkhej - Gandhinagar Hwy, Thaltej, Ahmedabad, Gujarat - 380054



Unit No. 11A/11C, Ground floor, Palladium Mall, S.B Marg, Lower Parel, Mumbai - 400013



UG-09A, Phoenix Marketcity, Velachery Main Road, Velachery, Chennai - 600042



Sandesh Bandhu Building, Great Eastern Rd, opp. Babylon Tower, VIP Chowk, Raipur, Chhattisgarh - 492006



G10, Ground Floor, Select Citywalk, A-3, Saket District Centre, New Delhi - 110017



Plot C, Jio World Plaza, Unit Number 01-33, Ground Floor, 64, G Block Rd, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051



UG-29, Mall of the Millennium, Shop No. 132, 23, Pune - Bangalore Highway, Shankar Kalat Nagar, Wakad, Pune - 411057



Shop No. G-24, CP 67 Mall, Sector 67, Sahibzada Ajit Singh Nagar, Punjab 160062

## Second Movement

At Ethos, we recognise the allure of pre-owned luxury watches. Second Movement offers India's most extensive collection of certified pre-owned timepieces and accessories.

### EXPERTISE AND QUALITY

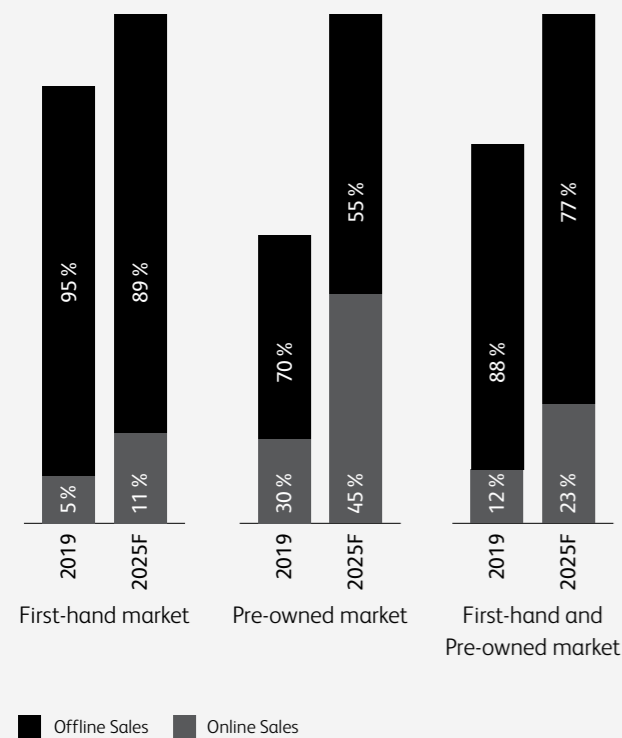
Our state-of-the-art service centres ensure the authenticity and flawless operation of every watch. Each purchase is backed by a comprehensive 2-year warranty, ensuring peace of mind.

### ELEVATED EXPERIENCE

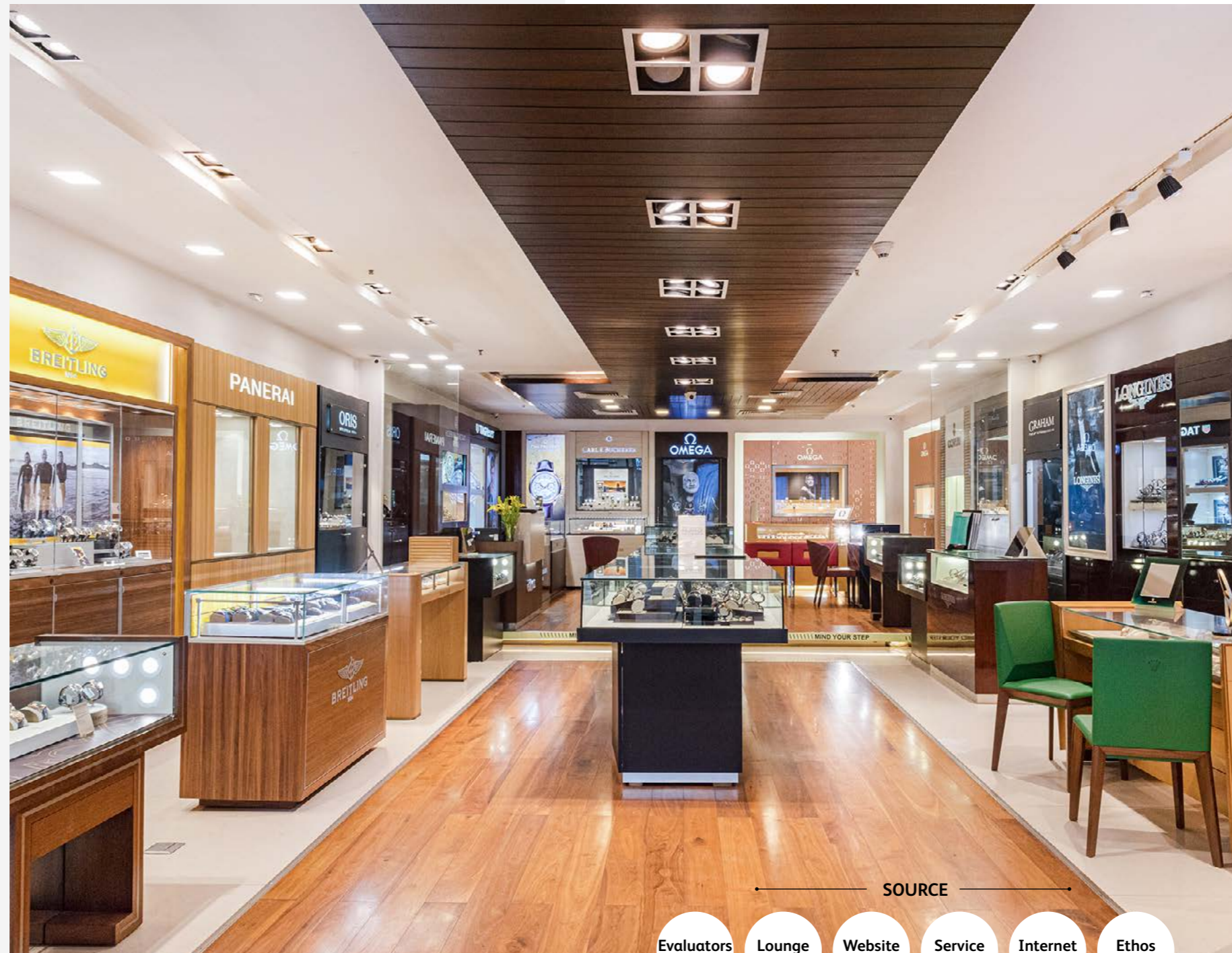
Dedicated lounges showcase our pre-owned collection in a sophisticated environment. This enhances both the credibility of the timepieces and provides a superior customer experience.

The growth of the pre-owned watch market is expected to far outpace that of the first-hand market, with online sales leading the way USD Billion.

Share of sales by channel (%)



Note: All market valuation figures are approximates  
Source: McKinsey analysis, expert interviews



Source: Evaluators, Lounge, Website, Service Centre, Internet Sales Team, Ethos Stores

### ADVANTAGES OF SECOND MOVEMENT

#### First Mover Advantage

We are the only organised player in India with the capability of certifying, buying and restoring pre-owned watches.

#### Scale is Critical

National network & digital presence power our extensive pre-owned watch collection.

#### Existing Ethos Infrastructure

Finance, Marketing, Sales, Digital, Loyalty base etc. to be extended to Second Time Zone

#### State-of-the art service center

Allows us to service all watches and offer 2 years warranty

#### Lounges

Special lounges dedicated for pre-owned products to add credibility and experience.

Log in to <https://www.secondmovement.com/> for more information

## Our Strategic Priorities



### EXPANDING OUR PHYSICAL STORE NETWORK AND INCREASING MARKET SHARE

Recognising a rising appetite for luxury in India's developing cities, Ethos is expanding its reach beyond metros. Leveraging data and customer insights, we are customising new stores to cater to the evolving preferences of these markets. Our expansion plan includes a mix of single-brand and multi-brand boutiques, ensuring we meet the diverse luxury needs of our expanding customer base.

**10**

New stores opened in FY24

### INCREASING OUR WATCH BRANDS PORTFOLIO AND STRENGTHEN EXCLUSIVE RELATIONSHIP

Ethos boasts an unmatched selection exceeding 7,000 timepieces across premium, bridge-to-luxury, luxury, and high-luxury segments. We constantly strive to expand our offerings, securing exclusive partnerships with 5 prestigious brands in FY24. Our vision is to establish ourselves as the foremost destination for luxury watch enthusiasts in India, bringing the world's most sought-after brands to discerning customers.

### GROWING OUR CERTIFIED PRE-OWNED LUXURY WATCH RETAIL BUSINESS

We enhance our certified pre-owned luxury watch retail by creating specialised lounges dedicated to these timepieces. These exclusive spaces offer a high-end environment that highlights the quality and craftsmanship of each watch. This strategy builds credibility, enhances customer confidence and sets us apart in the market.

### DRIVE SALES AND GATHER DATA THROUGH TECHNOLOGICAL INNOVATIONS

By leveraging AI-driven insights and real-time data, we personalise customer interactions and optimise inventory management.

### VENTURING INTO NEW LUXURY ARENAS

Building on our success in the luxury watch market, Ethos is expanding into complementary luxury goods such as luggage and branded jewellery. This strategic diversification reflects our commitment to delivering a comprehensive luxury experience for our customers.

### RIMOVA

We have recently opened the first boutique for Rimowa, offering their luxury luggage range, and the first boutique for Messika, featuring their luxury jewelry collection, in India.

## Fuelling Business Expansion: Forward-Thinking Sales and Marketing



### ETHOS APP

Ethos established itself as a leader in digital innovation by launching India's first luxury watch app for iOS and Android. This app transcends traditional retail, aiming to transform the watch-buying experience and redefine luxury standards in India.

#### Features and functionality:

- The app features auto-populated dynamic pages with detailed product information, high-quality images, and engaging content.
- A dedicated app-in-app experience allows users to effortlessly explore our extensive collection of pre-owned watches.
- In collaboration with Amazon Web Services (AWS), we are continuously integrating cutting-edge AI features, including a compare tool, chatbot, and personalised sections like "My Watch Collection" and "My Wishlist" among others.



## 20 YEARS OF ēthos WATCH BOUTIQUES

### Limited-Edition Timepieces:

To celebrate our 20th anniversary, Ethos introduced exclusive limited-edition pieces in collaboration with Jacob & Co., Bovet, Rado, Breitling, and Raymond Weil, available exclusively at Ethos stores.

### Media Partnerships:

Our partnerships with prominent watch publications like Revolution (international) and WatchTime India, GMT India (domestic) increased Ethos' visibility and solidified our position as India's leading luxury watch retailer.

### Cultivating the Watch Community:

Ethos co-hosted events with Watch Enthusiasts India, providing a platform to showcase exceptional timepieces from Swiss watchmakers and foster a passionate community of watch aficionados.

### Celebrating Cultural Fusion:

In partnership with the Embassy of Switzerland and the KDDL-Ethos Foundation, we hosted a unique art exhibition that celebrated India's rich cultural heritage by showcasing Indian folk art alongside exquisite timepieces.

### SALES CHANNEL

Ethos maintains a leading presence throughout India with a powerful omnichannel strategy. Our network of in-house stores, strategically located across metros, Tier I, Tier II, and Tier III cities, allows us to serve a broad customer base seeking exceptional timepieces. This extensive reach is complemented by robust digital platforms, ensuring convenient access for all.

Highly skilled employees play a vital role in cultivating strong customer relationships, reflected in our impressive **46%** repeat customer rate. Our dedicated inventory management team ensures the availability of sought-after timepieces across our diverse store formats, including Ethos Summit Stores, Multi-Brand Outlets, Exclusive Brand Outlets, and Second Movement Lounges.



**63**  
Retail watch boutiques

**24**  
Cities



**Fuelling Business Expansion:**  
Forward-Thinking Sales and Marketing

**OMNICHANNEL STRATEGY**

This year, Ethos focused on creating a seamless omnichannel experience for watch enthusiasts. Our website attracted over 21 million visitors, who explored our extensive collection using advanced search features by price, features, and gender. A team of qualified watch specialists provides exceptional online support, promptly responding to inquiries and enhancing customer convenience. This integrated approach has significantly expanded our reach and strengthened customer relationships.

**21+ Million**

Watch Enthusiasts Engaged

**63+ Million**

Page Views

**DIGITAL MARKETING**

Ethos adopts a digital-first approach, strategically leveraging omnichannel networks to connect with a growing audience of watch enthusiasts. We have expanded our database to over **1.1 million**, engaging them through targeted marketing across social media, search engines, WhatsApp, email, and more. This comprehensive digital strategy enables us to effectively capture their attention and cultivate a loyal following.

**411k+ followers**

across social media platforms

**THE WATCH GUIDE**

Ethos offers valuable insights and thought leadership in the luxury watch industry through our platform, The Watch Guide. Curated by a team of experienced in-house journalists and a network of industry experts, The Watch Guide features **over 1,800** articles and publishes **over 50 new stories** each month. This comprehensive resource provides in-depth conversations on luxury products, new launches, and industry news, keeping our audience informed and engaged.

**ETHOS STUDIO & SOCIAL MEDIA**

Ethos Studio leverages a dedicated in-house team specialising in scriptwriting, filming, editing, and video production to create compelling content that resonates with

our audience. Our original video content plays a significant role in growing our online community, reaching over **411,000 followers** across various social media platforms. This organic content sparks brand awareness and fosters a strong sense of community among watch enthusiasts.

**220+**

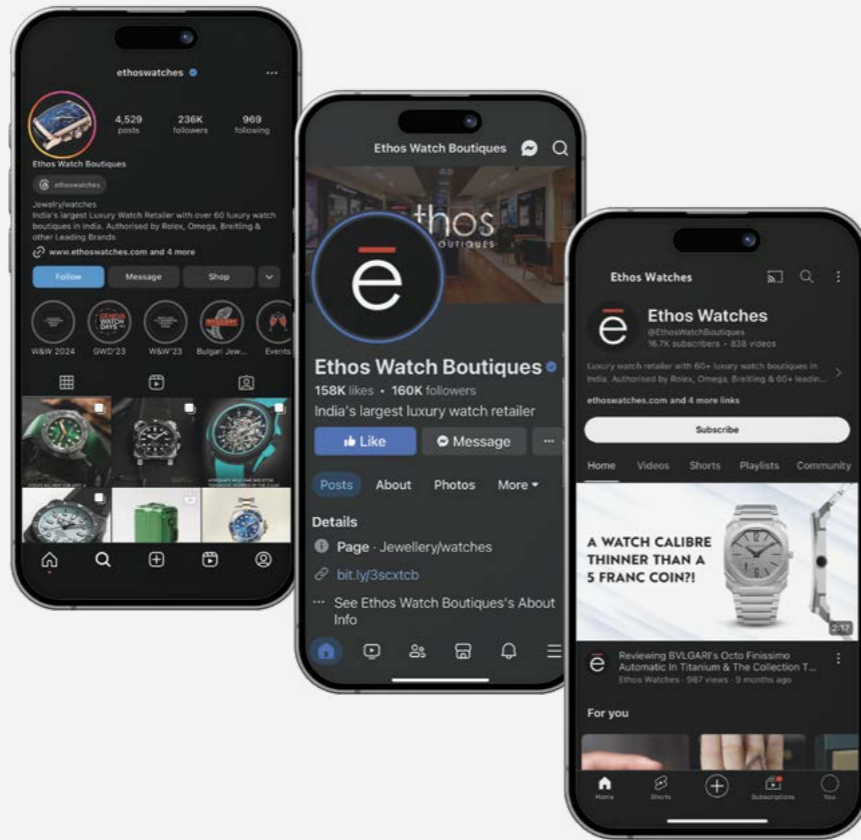
Organic videos

**4.5 million+**

views on in-house videos

**35,000+**

Saves & Shares on reels

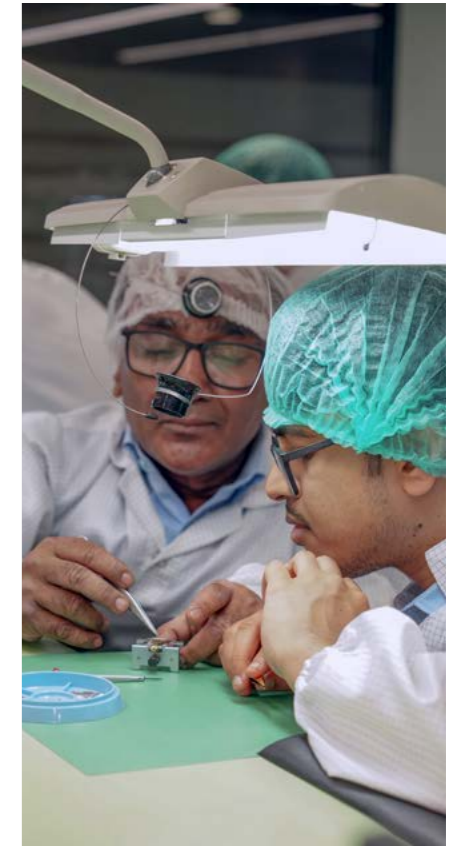


**AFTER SALES-SERVICE**

Our state-of-the-art service centre, located in New Delhi, staffed by highly skilled watchmakers, has achieved a remarkable **90% reduction** in customer complaints, underscoring our commitment to quality aftercare.

To further enhance convenience, we proudly introduce Ethos Watch Care's new pick-and-

drop service. This service allows customers across India to enjoy luxury watch aftercare from the comfort of their homes, covering over **7,000 pin codes** for extensive national reach. Our qualified watch technicians provide detailed servicing, maintaining the highest standards of care and ensuring exceptional customer satisfaction.



**FY25 MARKETING PLANS**



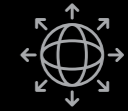
**Brand Elevation**

Elevate our brand identity across all channels to foster deeper customer connections.



**Strategic Alliances**

Form key partnerships to create unique experiences and boost engagement.



**Expansions**

Broaden our product offerings to solidify our position as India's premier luxury destination.



**Tech Upgrades**

Enhance our platform with AI and innovative features, to improve the customer experience.



**Content Strategy**

Streamline the creation, management, and distribution of content to ensure consistent and engaging messaging.

# Stakeholder Engagement



## INVESTORS AND SHAREHOLDERS

Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>Gain insights that shape strategies for lasting shareholder benefit.</li> <li>Open communication strengthens our approach to corporate governance.</li> <li>Engaged investors contribute to our long-term survival and success.</li> <li>Building trust creates mutually beneficial relationships.</li> <li>Engagement can lead to better environmental, social, and governance practices.</li> </ul>	<ul style="list-style-type: none"> <li>We provide proactive updates and timely reporting.</li> <li>We conduct regular earnings calls to discuss financial performance.</li> <li>Statutory meetings are held as required.</li> <li>We host regular meetings to connect with investors.</li> <li>We participate in annual investor conferences.</li> <li>We offer exclusive store visit events for our investors.</li> </ul>	<ul style="list-style-type: none"> <li>We value investor relationships and integrate their feedback into our operations.</li> <li>Engagement with investors, especially institutional investors, prioritises Environmental, Social, and Governance (ESG) factors.</li> <li>We leverage investor data to tailor our strategies and improve engagement effectiveness.</li> </ul>



## BRAND PARTNERS AND SUPPLIERS

Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>We represent brands with respect and contribute to their long-term success.</li> <li>We ensure our supply chain is socially and environmentally responsible.</li> <li>We work together in all areas of our business to achieve shared goals.</li> <li>We hold ongoing discussions to explore new opportunities and events.</li> </ul>	<ul style="list-style-type: none"> <li>We hold meetings at brand partner headquarters and our boutiques to ensure open communication.</li> <li>We collaborate on exclusive product launches and boutique expansion strategies.</li> <li>We share market trends, product assortment guidance, and long-term planning data.</li> <li>We offer training for our staff and partner with suppliers to identify new distribution opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>We monitor sales of co-launched exclusive ranges and new product lines.</li> <li>We track distribution channel expansion and identify new market opportunities.</li> <li>We assess the impact of training programs on staff knowledge and sales performance.</li> <li>We analyse the influence of shared market trends and planning data on product assortment and sales.</li> </ul>



## CUSTOMERS

Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>Regular interactions create emotional connections, leading to brand loyalty and repeat business.</li> <li>Engaged customers are more likely to consider Ethos when making purchasing decisions.</li> <li>Effective communication ensures customers are open to our new initiatives and marketing efforts.</li> <li>Engagement fosters trust and strengthens our relationships with customers.</li> </ul>	<ul style="list-style-type: none"> <li>We connect with customers through multiple channels, ensuring consistent brand messaging.</li> <li>We engage through social media activity and online communities.</li> <li>We host events that create memorable experiences and showcase our products.</li> <li>We use digital tools to deliver curated content and personalise the customer journey.</li> <li>We transform our stores into engaging experiences that go beyond product sales.</li> </ul>	<ul style="list-style-type: none"> <li>We track customer visits across all locations and analyse their conversion rates.</li> <li>We gather feedback through various channels to gauge customer sentiment.</li> <li>We monitor website traffic patterns and analyse conversions to measure online engagement.</li> </ul>



## REGULATORS

Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>Interaction with regulators safeguards our reputation and ensures adherence to industry standards.</li> <li>Collaboration helps us identify opportunities that contribute to long-term success.</li> <li>We understand our role in supporting national development initiatives.</li> <li>Engagement allows us to contribute to protecting the public interest.</li> </ul>	<ul style="list-style-type: none"> <li>We prioritise open and respectful communication to build trust with regulators.</li> <li>We work to prevent and address any conflicts that may arise.</li> <li>We seek opportunities to partner with regulators on initiatives that benefit both parties.</li> <li>We represent industry concerns and work with regulators on solutions.</li> <li>We collaborate on research, innovation, and advocacy efforts aligned with regulatory goals.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring our operations align with national development initiatives.</li> <li>Maintaining open communication channels for ongoing dialogue.</li> <li>Working towards a more efficient and streamlined business environment.</li> <li>Fulfilling our obligations to all stakeholders involved.</li> </ul>

**Stakeholder Engagement**



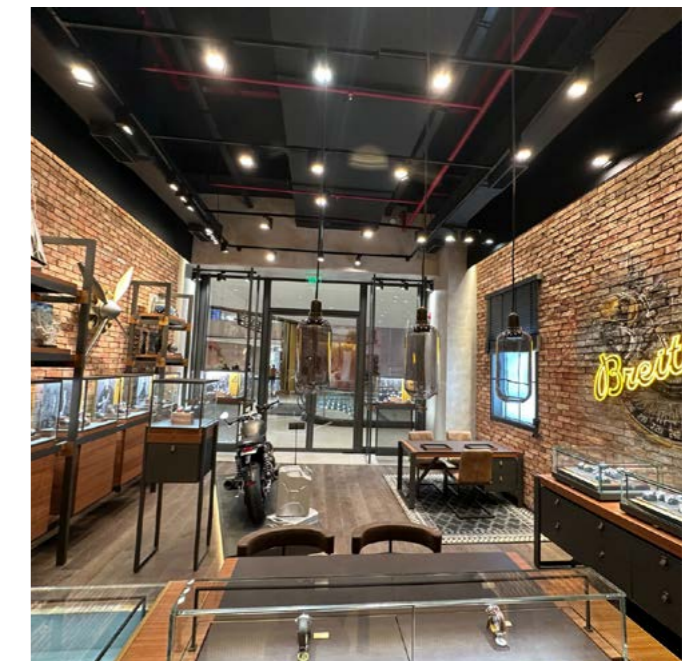
**EMPLOYEES**

Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>We treat all employees with dignity and recognition.</li> <li>We promote a culture of high standards and transparency.</li> <li>Engaged employees are enthusiastic about their work and contribute to the company's success.</li> <li>We invest in employee satisfaction through social and economic programs.</li> </ul>	<ul style="list-style-type: none"> <li>We offer competitive benefits packages including healthcare, education, and leave programs.</li> <li>We provide a safe, comfortable, and well-equipped workspace.</li> <li>We invest in employee growth through training and development opportunities.</li> <li>We maintain clear and consistent communication channels with employees at all levels.</li> <li>We acknowledge and reward employee achievements and contributions.</li> </ul>	<ul style="list-style-type: none"> <li>Engaged employees tend to stay with the company longer, reducing recruitment costs.</li> <li>A motivated workforce contributes to higher overall productivity.</li> <li>Satisfied employees create a positive work environment that attracts top talent.</li> <li>Engaged employees feel valued and contribute to a positive company culture.</li> </ul>



**COMMUNITY**

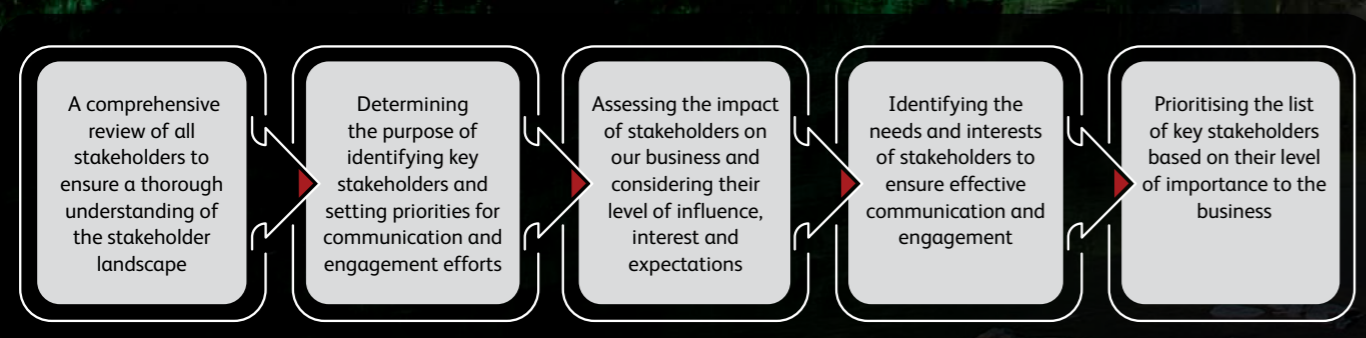
Why we engage	How do we engage	Monitoring the impact
<ul style="list-style-type: none"> <li>We believe everyone affected by an issue deserves a voice in shaping solutions.</li> <li>Community engagement helps us achieve long-term benefits for our communities.</li> <li>We build trust and collaboration through open communication.</li> <li>Community engagement aligns with the UN's Sustainable Development Goals.</li> </ul>	<ul style="list-style-type: none"> <li>Our core values emphasise treating everyone with dignity and consideration.</li> <li>We plant trees and protect biodiversity for a healthier environment.</li> <li>Committees ensure compliance across our organisation.</li> <li>We maintain transparency in all operations.</li> </ul>	<ul style="list-style-type: none"> <li>We assess the creation and maintenance of strong, positive communities.</li> <li>We track the effectiveness of our efforts in achieving desired results.</li> <li>We evaluate whether community voices are heard, and needs are met.</li> <li>We monitor how our engagement supports local governments' sustainability goals.</li> </ul>



# Our ESG Strategy

Ethos remains committed to environmental, social, and governance (ESG) principles. We maintain open communication with stakeholders across various departments, ensuring ongoing engagement. Regular feedback informs our evolving ESG strategy, aligning it with our overall mission and vision.

A comprehensive stakeholder identification process ensures our communication and engagement efforts are relevant and effective. Using a five-step process, we identify key stakeholder groups by considering both internal and external voices through quantitative and qualitative data. Material issues are reviewed internally, prioritised, and brought to stakeholders for discussion. This approach fosters collaboration on issues impacting both our business and the communities we serve.





## Environment Stewardship

We place a high value on maintaining environmental sustainability and are committed to enhancing biodiversity through dedicated tree plantation efforts. By planting trees, we not only contribute to the restoration and expansion of natural habitats but also support the well-being of various flora and fauna. This initiative plays a crucial role in balancing ecosystems and ensuring a healthier environment.

### COLLABORATION WITH SANKALPTARU FOUNDATION FOR RURAL LIVELIHOOD SUPPORT PROGRAM

In a bid to create a lasting impact while staying environmentally conscious, Ethos, in collaboration with SankalpTaru Foundation, launched the Rural Livelihood Support Program. This initiative involves planting 24,480 fruit tree saplings on rural farmers' lands, selected through village visits and documentation. The program aims to enhance greenery and provide economic benefits to farmers. Over time, it will rejuvenate the regional ecosystem and offer farmers a stable alternative income source for improved livelihoods.

#### OUR TARGETS

**~23 acres**

area will be greenified

**~3473.8 tons**

oxygen to be produced in a life span

**~ 4416.75 tons**

Carbon dioxide to be sequestered in its life span



**HARYANA**

**Species Planted**

Guava, Sweetlime, Amla



**RAJASTHAN**

**Species Planted**

Amla, Lemon, Guava, Sweet lime, Apple Ber



**KARNATAKA**

**Species Planted**

Pomegranate, Guava, Arecanut

## ENVIRONMENT STEWARDSHIP

### Collaboration with SayTrees

SayTrees is a community of passionate environmental advocates dedicated to safeguarding and preserving the planet for future generations. The organisation focuses on addressing climate change by developing and implementing tailored solutions to meet local needs. Collaborating with like-minded individuals, partners, and businesses, SayTrees plans, executes, and monitors various projects in areas such as agroforestry, social forestry, water body rejuvenation, urban forestry and waste management.

With regards to its corporate social responsibility goals, Ethos has collaborated with SayTrees to address climate change through the planting of fruit and timber saplings in the Ananthapuramu District.

The project focuses on advancing sustainable practices to combat climate change and rehabilitate degraded farmlands. By generating employment opportunities in rural areas and improving farmers' livelihoods, the project seeks to drive economic empowerment within the community.



### Project Overview



#### Extensive Plantation Efforts

During the fiscal year 2023-24, as part of this project, we planted a total of 40,250 fruit trees across designated farms.



#### Community Integration

The initiative has engaged 98 farmers from Andhra Pradesh, fostering a collaborative effort over the course of the past year.



#### Biodiversity Promotion

Going beyond traditional tree planting practices, the project has focused on cultivating twelve distinct species across more than 295 acres of farmland, enriching biodiversity in the region.



**Project Overview**

**Pre-plantation phase**

- In-depth participatory needs assessment
- Collaborative farmer and farmland appraise
- Strategic farmer mobilisation
- Capacity building for agroforestry adoption
- Customised farmland intervention design
- Advanced soil analysis and interpretation

**Plantation phase**

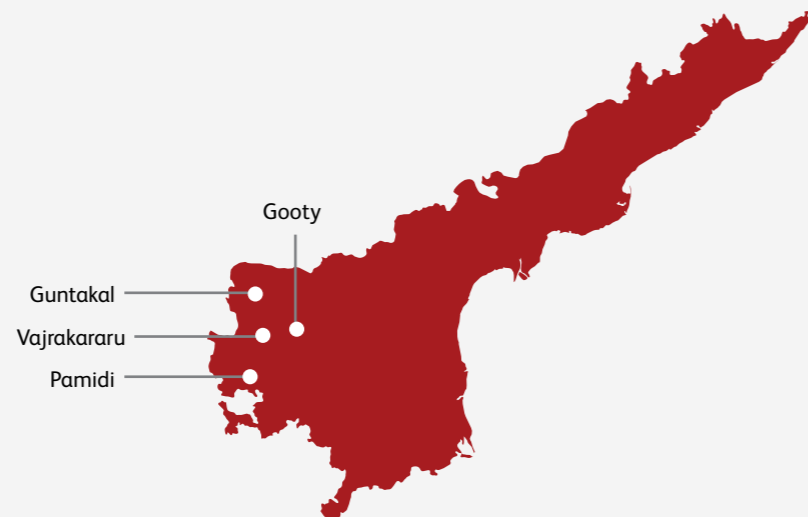
- Pre-planting land preparation
- Sapling procurement
- Sapling distribution and planting

**Post-plantation phase**

- Continuous improvement through capacity building
- Monitoring and audit
- Targeted training programs
- Tree certification for recognition and transparency

**Project execution site**

Mandal	No Of Villages
Gooty	4
Pamidi	3
Guntakal	2
Vajrakararu	2



**Our People**

**TALENT MANAGEMENT**

At Ethos, we focus on attracting and retaining individuals who share our core values.

Our rigorous hiring process identifies candidates who excel in customer relationship management and share our passion for watches. Comprehensive onboarding programs ensure new hires integrate quickly and feel welcomed. From day one, employees are introduced to our company values and ethics, creating a motivated and cohesive team.



**LEARNING AND DEVELOPMENT**

At Ethos, we empower our people to deliver exceptional service through continuous learning and development. This comprehensive approach empowers our staff to excel in their roles, exceed customer expectations, and contribute to the company's continued growth.

- **Technical Expertise:** We provide in-depth technical training, including watchmaker-led sessions and visits to component manufacturers. This equips our staff to handle complex timepieces and confidently address customer inquiries.

- **Sales Mastery:** Regular training hones our team's communication and sales skills, ensuring they effectively convey product value and secure sales. The "INNER CIRCLE" program specifically focuses on in-house brands, ensuring deep product knowledge across the board.

- **Performance Evaluation:** Regular assessments, including practical exercises, help us measure training effectiveness and identify areas for improvement.

**146 employees**

attended training during FY24



**Our People**

**REWARDS AND RECOGNITION**

At Ethos, we have established a comprehensive rewards and recognition program to celebrate our employee's hard work and dedication. These initiatives create a culture of appreciation, motivating employees to excel and deliver outstanding results.

- **Immediate Recognition:** We promptly acknowledge outstanding performance and results, reinforcing positive behaviour and motivation.
- **Healthy Competition:** Regular sales competitions challenge employees to meet and exceed targets. Top performers at individual and store levels are rewarded for their achievements.
- **Celebrating Excellence:** Exceptional sales efforts are publicly highlighted, ensuring significant accomplishments are recognised.



**DIVERSITY AND INCLUSION**

At Ethos, we believe that gender, caste, race, sexuality, nationality, and colour should never limit career opportunities. Our recruitment practices promote inclusivity, reflecting our core values of fairness and equality.

- **Empowering a Diverse Team:** We actively seek talented individuals from all backgrounds, enriching our work environment and nurturing a culture of respect for diverse perspectives.
- **Focus on Gender Diversity:** We recognise the importance of a diverse workforce and actively work to increase the representation of women in all roles, including our watch boutiques. This focus enhances the customer experience through a broader range of perspectives and ensures a welcoming environment for all.

**628**  
Employees

**18%**  
Female workforce

**HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE)**

We understand that a safe and healthy work environment is essential for everyone's well-being and the success of our organisation. By prioritising HSE, we create a secure and healthy workplace that supports the growth of our employees and the organisation. Our commitment to these principles ensures we can achieve our business goals while safeguarding the well-being of our people and the environment.

- Our senior leadership recognises the importance of HSE and its role in achieving operational excellence.
- We actively involve all employees in continuously improving our HSE management system.

- Regular fire and safety evacuation drills are conducted in collaboration with mall management across all our

stores and offices, ensuring everyone is prepared to respond effectively in emergencies.

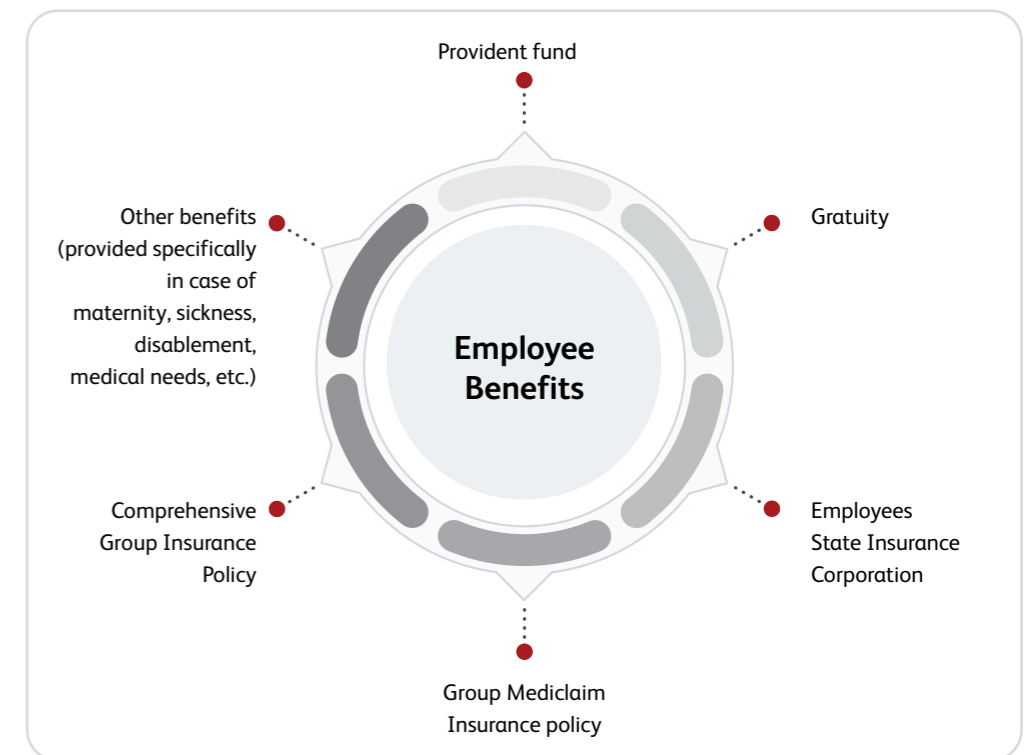


**EMPLOYEE BENEFITS**

We offer a comprehensive benefits package designed to support our employees' well-being and their professional growth. This includes competitive benefits and programs that empower them to excel in their roles and achieve their full potential.

We offer benefits that address all aspects of employees' lives, promoting a healthy work-life balance. By prioritising employee well-being, we cultivate a motivated and dedicated workforce.

High-quality uniforms for our sales staff project a professional and consistent brand image.





## Social

In today's interconnected world, we recognise that a sustainable future requires a focus on social well-being alongside environmental responsibility. Ethos operates within a complex web of stakeholders, and is deeply committed to positively impacting all individuals and communities we touch. Our social responsibility efforts aim to maximise positive societal impact and ensure fair treatment of all stakeholders.

### CUSTOMER-CENTRIC APPROACH

At Ethos, building strong relationships with our customers and the communities we serve is central to our identity. This commitment is reflected in our robust grievance redressal mechanism, ensuring customer concerns are heard and addressed effectively. Dedicated communication channels, including a phone number and email address, facilitate easy registration of grievances. Furthermore, we champion accessibility and inclusion. Our retail stores and offices are designed with people with disabilities in mind, providing accessible infrastructure, washrooms, transportation options, and information technology.

### EMPOWERING COMMUNITIES

Looking beyond our stores, Ethos recognises the vital role we play in the communities we operate within. This year, we partnered with the SankalpTaru Foundation (STF) to launch the impactful Rural Livelihood Support Plantation Program. This program empowers rural farmers in Haryana, Rajasthan, and Karnataka by planting 24,480 fruit tree saplings on their land, promoting sustainable practices and economic growth. Additionally, we collaborated with SayTrees to plant 40,250 fruit and timber saplings in the Ananthapuramu District, further demonstrating our commitment to environmental responsibility and combating climate change.

### EQUALITY AND WELLBEING

Diversity and inclusion are not just buzzwords at Ethos; they are the cornerstones of our company culture. We uphold a robust Equal Opportunity Policy that prohibits discrimination during recruitment, employment, and separation. Furthermore, we promote employee rights, including freedom of association and work-life balance. Our Internal Complaints Committee established under the POSH Act ensures access to appropriate grievance redressal mechanisms, including those related to sexual harassment.

### SAFETY FIRST

At Ethos, we understand that a foundation of well-being empowers a productive and engaged workforce. Employee safety is woven into the very fabric of our operations. We adhere to rigorous international guidelines throughout our value chain, ensuring respect for human rights and the continuous improvement of our safety protocols. This commitment translates into tangible actions: our offices are equipped with first-aid kits, and a doctor is on call to address medical emergencies. Furthermore, a comprehensive group insurance policy offers peace of mind for employees travelling for work. Through these measures, we strive to create a secure work environment where employees feel valued and protected.



## Corporate Governance

Ethos remains committed to the highest standards of corporate governance. We strive for complete transparency with all stakeholders, continually improving our practices. Our governance framework ensures compliance with all legal and regulatory obligations, and we encourage the same high standards from our value chain partners.

We have established a comprehensive suite of policies, including a code of conduct for the Board and senior management, an insider trading code, a Business Responsibility and Sustainability Report (BRSR) policy, to name a few. A vigilant mechanism, a whistle-blower policy, and an anti-corruption and anti-bribery policy, to name a few. These measures ensure that our business is conducted with integrity, transparency, and accountability.

Our robust Vigil Mechanism and Whistle-blower Policy encourage the reporting of unethical behaviour or legal violations. This mechanism protects the confidentiality of whistle-blowers and ensures their safety from retaliation. Additionally, we have a comprehensive policy to prevent, prohibit, and address sexual harassment, creating a workplace environment that promotes dignity and equality for all.

**6**

Independent Directors

**1**

Woman Director

**Nil**

Grievances received





## Board of Directors



**Yashvardhan Saboo**  
Chairman and Managing Director



**Pranav Shankar Saboo**  
Managing Director and Chief Executive Officer



**Manoj Subramanian**  
Executive Director



**Anil Khanna**  
Independent Director



**Sundeep Kumar**  
Independent Director



**Dilpreet Singh**  
Independent Director



**Chitranjan Agarwal**  
Non-Executive and Non-Independent



**Munisha Gandhi**  
Independent (Woman) Director



**Charu Sharma**  
Independent Director



**Mr. Yogen Khosla**  
Independent Director

## Leadership Team



**Munish Gupta**  
Chief Financial Officer



**Anil Kumar**  
Company Secretary and Compliance Officer



**Mukul Khanna**  
Chief Operating Officer



**Juhi Chaturvedi**  
Head - Merchandising



**Rajesh Pandey**  
National Sales Head



**Saurabh Shrivastava**  
VP - Human Resource

## Corporate Information

### BOARD OF DIRECTORS

**Mr. Yashovardhan Saboo**  
Chairman and Managing Director

**Mr. Anil Khanna**  
Independent Director

**Mr. Sundeeep Kumar**  
Independent Director

**Mr. Pranav Shankar Saboo**  
Managing Director and  
Chief Executive Officer

**Mr. Dilpreet Singh**  
Independent Director

**Mr. Chitranjan Agarwal**  
Non-Independent and  
Non-Executive Director

**Mrs. Munisha Gandhi**  
Independent (Woman) Director

**Mr. Charu Sharma**  
Independent Director

**Mr. Yogen Khosla**  
Independent Director

**Mr. Manoj Subramanian**  
Executive Director

### CHIEF FINANCIAL OFFICER

**Mr. Munish Gupta**

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Mr. Anil Kumar**

### COMMITTEES OF BOARD

#### Audit Committee

Mr. Anil Khanna (Chairman)  
Mrs. Munisha Gandhi  
Mr. Chitranjan Agarwal

#### Nomination & Remuneration Committee

Mr. Dilpreet Singh (Chairman)  
Mr. Anil Khanna  
Mr. Sundeeep Kumar  
Mr. Chitranjan Agarwal

### Stakeholder's Relationship Committee

Mr. Anil Khanna (Chairman)  
Mr. Yashovardhan Saboo  
Mr. Pranav Shankar Saboo

### Corporate Social Responsibility Committee

Mr. Yashovardhan Saboo (Chairman)  
Mr. Pranav Shankar Saboo  
Mrs. Munisha Gandhi  
Mr. Manoj Subramanian  
Mrs. Malvika Saboo, Special Invitee

### Risk Management Committee

Mr. Sundeeep Kumar (Chairman)  
Mr. Yashovardhan Saboo  
Mr. Pranav Shankar Saboo

### BANKERS

State Bank of India  
Kotak Mahindra Bank Limited  
HDFC Bank Limited  
Axis Bank Limited  
IndusInd Bank Limited

### STATUTORY AUDITORS

**S.R. Batliboi & Co. LLP**  
Chartered Accountants  
4th Floor, Office 405, World Mark-2, Asset  
No. 8, IGI Airport Hospitality District  
Aerocity, New Delhi- 110 037  
Email: sbrc@srb.in  
Tel: 011-46819500

### SECRETARIAL AUDITORS

**Mr. Vishal Arora**  
Practicing Company Secretary  
H.No. 651, Top floor, Sector 8-B,  
Chandigarh-160 009  
Email: csteamva@gmail.com  
csvishalarora@yahoo.in  
Tel: 0172-4644288

### REGISTERED OFFICE

Plot No. 3, Sector-III  
Parwanoo,  
Himachal Pradesh- 173220  
Tel: +91 1792 232 462/233 402  
E-mail : investor.communication@  
ethoswatches.com  
Website: www.ethoswatches.com

CIN-L52300HP2007PLC030800

### CORPORATE OFFICE

S.C.O. 88-89, Kamla Centre  
Sector 8-C, Madhya Marg  
Chandigarh (UT)- 160009  
Tel: +91 172 2548 223/24  
E-mail : investor.communication@  
ethoswatches.com  
Website: www.ethoswatches.com

### HEAD OFFICE

First Floor, Global Gateway Towers A,  
Virendra Gram, MG Road, Guru Dronacharya  
Metro Station, Gurugram, Haryana-122002  
Tel: +91 124-6932100  
E-mail : investor.communication@  
ethoswatches.com  
Website: www.ethoswatches.com

### REGISTRAR & SHARE TRANSFER AGENT

KFIN Technologies Limited  
Selenium, Tower B, Plot No.-31 and  
32, Financial District, Nanakramguda,  
Serilingampally, Hyderabad, Rangareedi  
500 032, Telangana  
Tel: + 91 40 6716 2222/ 180034 54001  
Email: ethosltd@kfintech.com

### WHOLLY OWNED SUBSIDIARY

Cognition Digital LLP, India  
RF Brands Private Limited, India

### JOINT VENTURE

Pasadena Retail Private Limited, India

### ASSOCIATE BODY CORPORATE

Silvercity Brands AG, Switzerland

## Notice to Members

Notice is hereby given that the **17<sup>th</sup> (Seventeenth) Annual General Meeting** of Members of **Ethos Limited** will be held as per the schedule given below, to transact the following business -

Day and date of the meeting	:	Friday, September 27, 2024
Time of the meeting	:	10:30 a.m. IST
Mode of the meeting	:	Through Video Conferencing ('VC')/ Other Audio Video Means (OAVM)

### Ordinary Business:

- To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

*To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Report of the Board of Directors and the Statutory Auditors thereon*

**"RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 (including the Balance Sheet as at March 31, 2024; Statement of Profit and Loss; Cash Flow Statement for the year ended March 31, 2024; Statement of changes in Equity for the year ended March 31, 2024 along with summary of significant accounting policies and the accompanying notes forming an integral part of the financial statements) alongwith the Report of the Board of Directors and the Statutory Auditors' Report thereon, as placed before the meeting, be and are hereby, received, considered and adopted."

- To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

*To appoint a Director in place of Mr. Chitranjan Agarwal (DIN – 00095715), who retires by rotation in terms of provisions of section 152 of the Companies Act, 2013 or other applicable provisions, if any, and being eligible, offers himself for re-appointment*

**"RESOLVED THAT** Mr. Chitranjan Agarwal (DIN – 00095715) of the Company, who retires by rotation in terms of provisions of section 152 of the Companies Act, 2013 or other applicable provisions, if any, read with Articles of Association of the Company and being eligible for re-appointment, be and is hereby, re-appointed as Director of the Company, liable to retire by rotation."

- To consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as an **Ordinary Resolution:**

*To appoint M/s Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013) as Independent Statutory Auditors of the Company in place of M/s S.R. Batliboi & Co. LLP, Chartered Accountants*

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee and Board at their meetings held on August 23, 2024, **M/s Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013), having its office at 21<sup>st</sup> Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002 Haryana, India,** be and are hereby appointed as Independent Statutory Auditors of the Company, in place of retiring auditors M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm registration no. 301003E/E300005), to hold office from the conclusion of this 17<sup>th</sup> (Seventeenth) Annual General meeting until the conclusion of 22<sup>nd</sup> (Twenty Second) Annual General meeting of the Company, at such remuneration and out of pocket expenses, as may be decided by the Chairman and Managing Director along with Managing Director and Chief Executive Officer of the Company."

By Order of the Board of Directors of **Ethos Limited**

Anil Kumar  
Company Secretary  
Membership no. : F8023

August 23, 2024  
**Ethos Limited**  
CIN – L52300HP2007PLC030800  
Registered office- Plot no. 3, Sector III  
Parwanoo 173 220, Himachal Pradesh  
Head office – Global Gateway Towers A,  
First Floor, MG Road, Sector 26, Gurugram  
Haryana – 122 002  
[www.ethoswatches.com](http://www.ethoswatches.com)  
[investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com)

**Notes:**

1. The statement pursuant to section 102 of the Companies Act, 2013 ('Act') setting out material facts relating to the business under item no. 3 of the Notice is annexed hereto. Further, the relevant details with respect to item no. 2 pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this Annual General Meeting is also annexed.
  - e. The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.
2. A) Pursuant to the General Circular no. 09/2023 dated September 25, 2023, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the Annual General Meeting ('AGM') of the Company is being held through Video Conference (VC) / Other Audio Video Means (OAVM) during the calendar year 2024. The registered office of the Company shall be deemed to be the venue of the AGM.
  3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC / OAVM, the facility for the appointment of proxies by the members will not be available.
  4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.
  5. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the Annual General meeting as per section 103 of the Companies Act, 2013 read with rules made thereunder.
  6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer by email to [jaspreetsdhawan1@gmail.com](mailto:jaspreetsdhawan1@gmail.com) with a copy marked to [investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com).
  7. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Friday, September 27, 2024. Members seeking to inspect such documents can send an email to [investors.communication@ethoswatches.com](mailto:investors.communication@ethoswatches.com).
  8. Members whose shareholding is in electronic mode, are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode, are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends.
  9. Members are requested to address all correspondence, including dividend-related matters, to Registrar and Share Transfer Agent, KFin Technologies Limited, Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareedi 500 032, Telangana.
  10. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed CS Jaspreet Singh Dhawan, Practicing Company Secretary (Membership no. FCS 9372 and Certificate of Practice no. 8545), as Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- B) AGM through VC/OAVM:-
  - a. Members are requested to join the AGM on Friday, September 27, 2024 through VC/OAVM mode latest by 10:15 a.m. IST by clicking on the link <https://emeetings.kfintech.com/> under members login, where the E-voting Event Number (EVEN) of the Company will be displayed, by using the remote evoting credentials and following the procedures mentioned later in these Notes. The said process of joining the AGM will commence from 10:15 a.m. IST and may be closed at 10:30 a.m. IST, or, soon thereafter.
  - b. The facility of attending the AGM will be made available upto 1000 members on a first-cum-first served basis.
  - c. Members who would like to express any views or ask questions during the AGM may do so in advance by sending in writing their views or questions, as may be, along with their name, DP ID and Client ID number / folio number, email id and mobile number to the Company's email address at [investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com) from Wednesday, September 25, 2024 at 9.00 a.m. IST to Thursday, September 26, 2024 upto 5.00 p.m. IST.
  - d. When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (c) above, but he/she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all speakers are requested to get connected to a device with a video/camera along with stable internet speed.
    11. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Friday, September 20, 2024, may cast their votes electronically. The e-voting period commences on Tuesday, September 24, 2024 at 9.00 a.m. IST and ends on Thursday, September 26, 2024 at 5.00 p.m. IST. The e-voting module will be disabled by NSDL thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on Friday, September 20, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
    12. In terms of regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of the securities shall be effected only in the dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise their shares held by them in physical form. Members may contact the Company or KFIN Technologies Limited, for any assistance in this regard.
    13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
    14. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
    15. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Friday, September 20, 2024, may obtain the login ID and password by sending a request at [investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com) However, if he / she is already registered with NSDL for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote. In case of individual shareholders holding securities in demat mode, who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date i.e. Friday, September 20, 2024, may follow steps mentioned in the Notice under 'Instructions for e-voting'.
16. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 17<sup>th</sup> (Seventeenth) AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s).
17. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's Registrar and Share Transfer Agent, KFin Technologies Limited at [evoting@kfintech.com](mailto:evoting@kfintech.com), to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update their bank account details for the receipt of dividend.
18. Members may also note that the Notice of the 17<sup>th</sup> (Seventeenth) AGM and the Annual Report 2023-24 will also be available on the Company's website, [www.ethoswatches.com](http://www.ethoswatches.com), websites of the stock exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of Company's Registrar and Share Transfer Agent, KFin Technologies Limited at <https://evoting.kfintech.com/>.
19. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice as Annexure - I.
20. As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI, vide Circular nos. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated November 03, 2021 & SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/687 dated December 14, 2021, had prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination. It shall be mandatory for all holders of physical securities to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars KFin Technologies Limited at [evoting@kfintech.com](mailto:evoting@kfintech.com) Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details and for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode. Frozen folios shall be referred by the RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention

of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

21. Members are requested to note that pursuant to SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

Members are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the company (request you to update) and RTA

22. SEBI vide its letter nos. SEBI/HO/OIAE/2023/03391 dated January 27, 2023, SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023) had required the companies to intimate shareholders holding shares in physical form, either via email or SMS, about the establishment of Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. As a good governance practice, the same is being intimated again.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website <https://on.tcs.com/ODRPortal>

23. The Scrutinizer will submit his report to the Chairman and Managing Director of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA, and will also be displayed on the Company's website, [www.ethoswatches.com](http://www.ethoswatches.com)

24. Since the AGM will be held through VC / OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

#### Instructions for E-voting

The instructions for e-Voting are as under:

- (i) Launch internet browser by typing the following URL: <https://evoting.kfintech.com>.
- (ii) User ID and Password for e-voting is provided in the table given at the bottom of this document.
- (iii) Click on Shareholder – Login.

- (iv) Enter user ID and password as initial password / PIN. Click login.

- (v) The Password Change Menu will appear on your screen. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.

- (vii) Select the "EVENT" (e-votingEventNumber) of Ethos Limited.

- (viii) Now you are ready for e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting an appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

- (xii) Corporate/ Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(is) who are authorized to vote, to the Scrutinizer through e-mail to [jaspreetsdhawan1@gmail.com](mailto:jaspreetsdhawan1@gmail.com) and [investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).

- (xiii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.kfintech.com> alternatively you can also contact [evoting@kfintech.com](mailto:evoting@kfintech.com) for any queries or grievances connected with remote e-voting service.

- (b) Other Instructions:

- (i) If you are already registered with Company's Registrar and Share Transfer Agent, KFin Technologies Limited, (KFINTECH) for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on <https://evoting.kfintech.com> or contact KFINTECH at (040) 6716 1606 or at toll free number 1800 3454 001. Alternatively, you can also contact on [evoting@kfintech.com](mailto:evoting@kfintech.com) for any queries or grievances connected with remote e-voting service.

- (ii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

- (iii) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the

Depositories as on the cut-off date i.e. Friday, September 20, 2024 only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through poll paper.

- (iv) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of poll paper for all those Members who are present at the AGM but have not cast their votes by availing remote e-voting facility.

- (v) Members who have acquired shares after the dispatch of Notice of AGM and holding shares as on cut-off date i.e. Friday, September 20, 2024 may obtain the user ID and Password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com).

- (vi) The remote e-voting period shall commence on Tuesday, September 24, 2024 at 9.00 a.m. IST and ends on Thursday, September 26, 2024 at 5.00 p.m. IST. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 20, 2024 may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by KFINTECH for voting thereafter. Once the vote on a resolution is cast by the shareholder, Member shall not be allowed to change it subsequently. Electronic voting shall not be allowed beyond the said date and time.

- (vii) The voting rights of the Members (for voting through remote e-voting or by Poll Paper at the Meeting) shall be in proportion to their shares of the paid up Equity Shares capital of the Company as on the cut-off date Friday, September 20, 2024.

- (viii) Mr. Jaspreet Singh Dhawan, Practising Company Secretary (Membership No. FCS 9372 and Certificate of Practice no. 8545) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process is conducted in a fair and transparent manner.

- (ix) The Scrutinizer shall, immediately after the conclusion of remote e-voting at the AGM, first count the votes casted at the meeting and thereafter unblock the votes cast through remote e-voting in presence of at least two (2) witnesses not in the employment of the Company and make within a period not exceeding two (2) days from conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and Managing Director of the Company or a person duly authorized by him in this regard.

- (x) The results shall be declared after receiving consolidated Scrutinizer's Report from the Scrutinizer. The results declared along with the Scrutinizer's Report shall be placed on the websites of KFINTECH at <https://evoting.kfintech.com>, Company at [www.ethoswatches.com](http://www.ethoswatches.com), BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) immediately after the declaration of the results by the Chairman or person authorized by him. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

- (xi) The resolution shall be deemed to be passed on the date of the AGM, subject to receipt of sufficient votes through a compilation of voting results (i.e. remote evoting along with the voting held at the AGM).

**Explanatory Statement in pursuance to the provisions of section 102 of the Companies Act, 2013 in respect of Business as provided in the Notice of Annual General Meeting dated August 23, 2024**

**Item no. 3**

Though not mandatory, this statement is provided for reference.

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm registration no. 301003E/E300005) having office at 4<sup>th</sup> Floor, Office 405, World Mark-2, Asset No. 8, IGI Airport Hospitality District Aerocity, New Delhi- 110 037 were appointed in terms of provisions of section 139 of the Companies Act, 2013 read with rules made thereunder as Statutory Auditors of the Company in the financial year 2019-20 to hold office from the conclusion of the 12<sup>th</sup> (Twelfth) Annual General Meeting till the conclusion of the 17<sup>th</sup> (Seventeenth) Annual General Meeting to be held in the financial year 2024-25.

In terms of provisions of section 139 of the Companies Act, 2013 read with rules made thereunder, the office of Statutory Auditors automatically stands vacated if they have served the office of Statutory Auditors for a continuous 2 (two) terms of 5 (five) years each. M/s S.R. Batliboi & Co. LLP, Chartered Accountants have served as the Statutory Auditors of the Company for its first term and they shall retire, if not re-appointed for another term.

Accordingly, as per the said requirements of the Act and as per the recommendations of the Audit Committee and the Board of Directors at the meetings held on August 23, 2024, M/s Walker Chandio & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013), having its office at 21<sup>st</sup> Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002 Haryana, India, is proposed to be appointed as Statutory Auditors of the Company, for a period of 5 (five) years, commencing from the conclusion of 17<sup>th</sup> (Seventeenth) Annual General meeting till the conclusion of 22<sup>nd</sup> (Twenty Second) Annual General meeting of the Company, as may be applicable.

M/s Walker Chandio & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013), having its office at 21<sup>st</sup> Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002 Haryana, India, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under

Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Keeping in view of the aforesaid, the Members are requested to consider appointment of M/s Walker Chandio & Co. LLP, Chartered Accountants, for the office of the Independent Statutory Auditors of the Company to hold the office from the conclusion of 17<sup>th</sup> (Seventeenth) Annual General Meeting till the conclusion of the 22<sup>nd</sup> (Twenty Second) Annual General Meeting of the Company.

The Board recommends the appointment of the Statutory Auditor of the Company for the period of five years and to pass the resolution as set out in Item No. 3 of the Notice as Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice.

The Board now proposes to pass the resolution as set out in Item No. 3 of the Notice as an Ordinary Resolution.

**By Order of the Board of Directors of Ethos Limited**

\_\_\_\_\_  
Anil Kumar  
Company Secretary  
Membership no. : F8023

August 23, 2024  
**Ethos Limited**  
CIN – L52300HP2007PLC030800  
Registered office- Plot no. 3, Sector III  
Parwanoo 173 220, Himachal Pradesh  
Head office – Global Gateway Towers A,  
First Floor, MG Road, Sector 26, Gurugram  
Haryana – 122 002  
[www.ethoswatches.com](http://www.ethoswatches.com)  
[investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com)

**Annexure - I to the Notice dated August 23, 2024**

**Information as required pursuant to Regulation 36 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”), in respect of Directors seeking appointment/re-appointment at the Annual General Meeting**

<b>Name of Director</b>	Mr. Chitranjan Agarwal
<b>DIN</b>	00095715
<b>Date of Birth</b>	January 28, 1967
<b>Age (in years)</b>	57
<b>Date of first appointment on the Board</b>	March 28, 2022
<b>Qualifications</b>	Bachelor of Commerce, L.L.B. and a qualified Chartered Accountant from Institute of Chartered Accountants of India
<b>Experience and expertise in specific functional area</b>	More than 32 years of experience in the field of Accountancy, Finance and Audits.
<b>Terms and conditions of appointment</b>	As per resolution 2
<b>Remuneration last drawn in financial year 2023-24 (Rs. in lacs)</b>	6.40
<b>Number of Board meetings attended during the year 2023-24</b>	7 (Seven)
<b>Directorships held in other listed companies (as on March 31, 2024)</b>	Nil
<b>Directorships held in other companies (as on March 31, 2024) (excluding foreign companies and Section 8 companies)</b>	1 (One)
<b>Chairmanship/Membership of Committees of the Board of Directors of other Companies (as on March 31, 2024)</b>	Nil
<b>Shareholding as on March 31, 2024</b>	Nil
<b>Relationship with other Directors/Key Managerial Personnel(s)</b>	Not related to any Director/Key Managerial Personnel

# Board's Report

To the Members of  
**Ethos Limited**

Your directors have pleasure in submitting the **17<sup>th</sup> (Seventeenth) Annual Report** of the Company together with the Audited Financial Statements of Accounts for the financial year ended on March 31, 2024.

## 1. Financial Results

The Company's financial performance for the year under review, along with previous year's figures are given hereunder: -

Particulars	(₹ in lakhs)			
	Standalone		Consolidated	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue from operations and other income	1,02,009.36	80,373.04	1,02,260.89	80,309.41
Total expenditure	(84,748.35)	(67,530.20)	(84,727.73)	(67,412.29)
Earnings before finance cost, tax, depreciation, and amortization (EBITDA)	17,261.01	12,842.84	17,533.16	12,897.12
Finance costs	(1,596.55)	(1,413.67)	(1,601.80)	(1,416.06)
Depreciation	(4,806.51)	(3,452.57)	(4,867.46)	(3,463.09)
Profit before share of joint venture and tax	10,857.95	7,976.60	11,063.90	8,017.97
Share of Profit of joint venture (net of income tax)	-	-	67.31	49.68
Profit before tax	10,857.95	7,976.60	11,131.21	8,067.65
Tax expenses	(2,728.74)	(1,997.00)	(2,801.75)	(2,037.83)
Profit for the year	8,129.21	5,979.60	8,329.46	6,029.82
Other comprehensive income/(loss)	(10.08)	(16.91)	(42.05)	(17.62)
Total comprehensive income for the year	8,119.13	5,962.69	8,287.41	6,012.20

## 2. Review of Business Operations and Future prospects

The financial year 2023-24 has proven to be very successful for Ethos Limited, witnessing substantial growth in both revenue and profitability. This achievement can be attributed to its focussed marketing efforts, innovative digital initiatives, and a robustly growing economy and consumer sentiments. Through the year, Ethos Limited opened 10 (ten) new stores, while simultaneously closing two underperforming stores. As a result, Ethos Limited's total store count increased from 54 to 63. Furthermore, it expanded its presence into 3 cities (Bhubaneswar, Raipur and Mohali) increasing its reach to a total of 24 cities, compared to 20 cities in the previous year.

On a standalone basis, Ethos Limited's revenue from operations and other income for FY 2023-24 exhibited an impressive growth rate of 26.92%, amounting to ₹ 1,02,009.36 Lacs. Similarly, on a consolidated basis, it achieved a growth rate of 27.33%, reaching ₹ 1,02,260.89 Lacs. In terms of net profit after tax (PAT), Ethos Limited's standalone performance for FY 2023-24 was remarkable, with ₹ 8,129.21 Lacs compared to the previous year's net profit of ₹ 5,979.60 Lacs.

On a consolidated basis, its net profit after tax (PAT) for FY 2023-24 amounted to ₹ 8,329.46 Lacs, a significant rise from ₹ 6,029.82 Lacs in the previous year. Ethos Limited has successfully harnessed its digital capabilities to cater to consumer demand, recognising the growing importance of online lead sales. With digital channel accounting for 26.3% of its billings, Ethos Limited acknowledges

that a significant number of customers now prefer to research and decide to buy luxury watches using digital platforms. Moving forward, it will continue to innovate and allocate resources to digital marketing, ensuring sustained engagement with its customer base. Ethos is poised to benefit from this evolving trend as a player predominantly focussed on luxury and premium segments. The luxury and high luxury watch segments also offer better profit margins, contributing to its overall profitability. Overall, Ethos Limited's remarkable performance in FY 2023-24, driven by its strategic initiatives, positions it well for sustained growth and success.

## 3. Dividend

In order to conserve profits of the current year for the several growth initiatives that the Company is pursuing, the Board of Directors do not propose dividend for current financial year. Pursuant to the requirements of SEBI Listing Regulations, Dividend Policy of the Company has been uploaded on the website of the Company and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/Dividend\\_Policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/Dividend_Policy.pdf)

## 4. Share Capital

During the year under review, there was no change in the authorised share capital of the Company.

During the year under review, there was an allotment of 11,31,210 equity shares of ₹ 10 each at a securities premium of ₹

1,537 per share for an amount of ₹ 175 crores under the Qualified Institutional Placement of the Company pursuant to the approval accorded by the members of Fund Raising Committee at its meeting held on November 3, 2023. The aforesaid equity shares were listed at the stock exchanges on November 6, 2023.

Consequent to the aforesaid change, the Paid-up share capital of the Company as at the date of this report is ₹ 2,448.04 lakhs (Rupees Twenty-four crores forty-eight lacs four thousand only) divided into 2,44,80,443 equity shares of ₹ 10 each.

## 5. Qualified Institutional Placement and Listing of Shares in Stock Exchanges

During the year under review, the Company completed fund raising through the mode of Qualified Institutional Placement (QIP) for 11,31,210 equity shares having face value of ₹ 10 each at a securities premium of ₹ 1,537 per share for an amount of ₹ 175 crores. Pursuant to the aforesaid QIP, the equity shares of the Company were listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from November 6, 2023.

## 6. Directors and Key Managerial Personnel

### (a) Directors:-

During the year under review, following changes took place in the composition of the Board of Directors of the Company -

Mr. Yashovardhan Saboo (**DIN – 00012158**) was re-appointed as the Chairman and Managing Director (Key Managerial personnel) of the Company, by way of a Special Resolution passed by the members of the Company through postal ballot on May 19, 2023 for a term of 3 (three) years with effect from April 1, 2023 upto March 31, 2026 along with the payment of remuneration.

Mr. Mohaimin Altaf (**DIN – 08080751**) retired as an Independent Director of the Company with effect from September 29, 2023.

Mr. Patrik Paul Hoffmann (**DIN – 09208027**) was appointed as Independent Director of the Company, by way of a Special Resolution passed by the members of the Company through postal ballot on March 5, 2023. However, he resigned from the directorship of the Company with effect from November 23, 2023.

Mr. Dilpreet Singh (**DIN-03042448**) was reappointed as an Independent Director of the Company for a further term of 5 (five) consecutive years by way of a Special Resolution passed by the members of the Company at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.

Mrs. Munisha Gandhi (**DIN – 09684474**) was appointed as an Independent (Woman) Director for a term of 5 (five) years, by way of a Special Resolution passed by the members of the Company through postal ballot on December 19, 2023.

Mr. Yogen Khosla (**DIN – 00203165**), who was appointed as an Additional Director of the Company at the Board

meeting held on January 18, 2024, was further appointed as an Independent Director of the Company for a term of 5 (five) years, by way of a Special Resolution passed by the members of the Company through Postal Ballot on March 21, 2024.

Mr. Manoj Subramanian (**DIN – 10458966**), who was appointed as an Additional Director of the Company at the Board meeting held on January 18, 2024, was further appointed as Whole Time Director with functional designation of an Executive Director of the Company for a term of 3 (three) years with effect from April 1, 2024, along with the payment of remuneration, by way of a Special Resolution passed by the members of the Company through Postal Ballot on March 21, 2024.

Mr. Pranav Shankar Saboo (**DIN – 03391925**), who was appointed as an Additional Director of the Company at the Board meeting held on January 18, 2024, was further appointed as a Managing Director and Chief Executive Officer of the Company for a term of 3 (three) years with effect from April 1, 2024, along with the payment of remuneration, by way of a Special Resolution passed by the members of the Company through Postal Ballot on March 21, 2024.

Mr. Manoj Gupta (**DIN – 08700786**) retired as an Executive Director of the Company with effect from March 31, 2024.

In accordance with the provisions of Companies Act, 2013, Mr. Chitranjan Agarwal (**DIN – 00095715**) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment for the approval of the members.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Companies Act 2023 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

The list of key skills, expertise and core competencies of the Board of Directors, is provided in the Report on Corporate Governance forming part of this report. Detail, such as brief resume, nature of expertise in specific functional areas, names of companies in which the above-named director hold directorships, committee memberships / chairpersonships, shareholding in your Company, etc. are furnished in the Notice of the 17<sup>th</sup> (Seventeenth) Annual General Meeting (AGM).

Necessary resolution for re-appointment of the director forms part of the Notice convening the 17<sup>th</sup> (Seventeenth) AGM.

The details on Directors' re-appointments / appointments and remuneration including criteria for determining

qualifications and positive attributes, forms part of the Notice convening the 17<sup>th</sup> (Seventeenth) AGM.

In the opinion of the Board, all the directors, as well as the director proposed to be appointed / re-appointed, possess the requisite qualifications, experience, expertise and hold high standards of integrity. All of the Independent Directors are exempt from the requirement of passing the proficiency test.

None of the Director has received any remuneration or commission from any of the Company's subsidiaries or joint ventures. During the year under review, the Non-Executive Directors (NEDs) of the Company had no pecuniary relationship or transactions with the Company except for the sitting fees, received by them for attending Board and Committee meetings, held from time to time.

**(b) Key Managerial Personnel :-**

During the year under review, following changes took place in the Key Managerial Personnel of the Company -

Mr. Ritesh Kumar Agrawal, Chief Financial Officer of the Company had tendered his resignation vide an email dated November 15, 2023. He was relieved from his duties with effect from February 15, 2024.

Based on the recommendation of the Selection Committee, Nomination and Remuneration Committee and Audit Committee, the Board approved the appointment of Mr. Munish Gupta as the Chief Financial Officer of the Company with effect from March 1, 2024.

The Policy on Remuneration, Insider Trading, Familiarization Programme For Independent Directors and Diversity of Board of Directors as approved by the Board is available on the Company's website and can be accessed at <https://www.ethoswatches.com/investors-information/corporate>.

**7. Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

The Policy on Determination of Materiality of Events or Information as approved by the Board is available on the Company's website and can be accessed at <https://www.ethoswatches.com/investors-information/download/policies/Policy-For-Determination-Of-Materiality-Of-Events-Or-Information.pdf>

**8. Details of significant and material orders passed by the regulators, courts and tribunals**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**9. Business Responsibility and Sustainability Report**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility and Sustainability Report of the Company is attached as **Annexure – I** forming part of this report.

**10. Management Discussion and Analysis Report**

Pursuant to Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report as per **Annexure – II**, which includes detailed review of operations, performance and future outlook of the Company, is annexed hereto and forming part of this report.

**11. Corporate Social Responsibility**

The Company is committed to discharge its social responsibility as a good corporate citizen. In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report, which forms part of this Annual Report. The CSR activities required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure - III** forming part of this report.

The aforesaid CSR Policy has also been uploaded on the Company's website and may be accessed at [https://www.ethoswatches.com/investors-information/download/policies/Ethos\\_Limited\\_CSR\\_Policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/Ethos_Limited_CSR_Policy.pdf).

**12. Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013**

The Company has neither advanced any loans nor given guarantees in terms of provisions of Section 186 of the Companies Act, 2013 during the year under review.

During the year under review, there was a change in the capital structure of Silvercity Brands AG (the wholly owned subsidiary body corporate). Due to further allotment of shares in Silvercity Brands AG, the shareholding of the Company has reduced to 35% from the erstwhile 100%. Owing to this, Silvercity Brands AG ceased to be the wholly owned subsidiary body corporate of the Company on 10<sup>th</sup> March, 2024 and the same is now identified as an associate of the Company.

The Company had incorporated its wholly owned subsidiary company by the name of 'RF Brands Private Limited' on February 2, 2024 with the initial subscription of ₹ 1 Crores (Rupees one crores only) divided into 10,00,000 equity shares of ₹ 10 each. The Company is in the business of distribution of watches and yet to commence its operations.

The Company had invested an amount of ₹ 1 Crores (Rupees one crores only) in the paid up share capital of Pasadena Retail Private

Limited, Joint Venture Company by subscribing to 10,00,000 equity shares of ₹ 10 each through Rights Issue.

**13. Related Party Transactions**

During the year under review, related party transactions entered into by the Company with related parties as defined under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were reviewed / approved by the Audit Committee and were entered into in the ordinary course of business and on an arm's length basis. There were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large.

Further, all the Related Party Transactions ('RPTs') are placed before the Audit Committee for the review and approval and prior Omnibus Approval was obtained for Related Party Transactions ('RPT') which were repetitive in nature. Thus, disclosure in Form AOC-2 is not required.

All transactions with related parties are in accordance with the policy on related party transactions formulated by the Company.

Accordingly, Form No. AOC-2, prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of related party transactions, which are "not at arm's length basis" and also which are "material and at arm's length basis", is not provided as an annexure to this Report

During the year, the Company amended the Policy on Dealing with Related Parties in view of the amendments issued by SEBI and to simplify the process of transaction approval sought from the Audit Committee. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](https://www.ethoswatches.com/investors-information/download/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS.pdf).

**14. Statutory Auditors and Auditor's report**

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm registration no. 301003E/E300005) having office at 4<sup>th</sup> Floor, Office 405, World Mark-2, Asset No. 8, IGI Airport Hospitality District Aerocity, New Delhi- 110 037 were appointed in terms of provisions of section 139 of the Companies Act, 2013 read with rules made thereunder as Statutory Auditors of the Company in the financial year 2019-20 to hold office from the conclusion of the 12<sup>th</sup> (Twelfth) Annual General Meeting till the conclusion of the 17<sup>th</sup> (Seventeenth) Annual General Meeting to be held in the financial year 2024-25. In terms of provisions of section 139 of the Companies Act, 2013 read with rules made thereunder, the office of Statutory Auditors automatically stands vacated and hence, the Auditors automatically retire. Accordingly, as per the said requirements of the Act, M/s Walker Chandiook & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013), having its office at 21<sup>st</sup> Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram - 122 002 Haryana, India, is proposed to be appointed as Statutory Auditors of the

Company, for a period of 5 (five) years, commencing from the conclusion of 17<sup>th</sup> (Seventeenth) Annual General meeting till the conclusion of the 22<sup>nd</sup> (Twenty Second) Annual General meeting of the Company.

The Company has received consent and eligibility certificate from M/s Walker Chandiook & Co. LLP, Chartered Accountants to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed there under and that they satisfy the criteria provided in section 141 of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

In view of the same, the Board recommends the appointment of M/s Walker Chandiook & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company in the ensuing Annual General Meeting of the Company for a period of 5 (five) years i.e. from the conclusion of 17<sup>th</sup> (Seventeenth) Annual General Meeting till the conclusion of the 22<sup>nd</sup> (Twenty Second) Annual General Meeting of the Company.

The Board has examined the Auditors' Report to the accounts and clarifications, wherever necessary, have been included in the notes to the accounts.

Further, the Auditors Report does not contain any qualifications, adverse or disclaimer remarks. No fraud has been reported by the Auditors to the Audit Committee or the Board.

**15. Secretarial Audit and Auditor's report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Mr. Vishal Arora, Practising Company Secretary (FCS no. 4566 and CP no. 3645), to undertake the Secretarial Audit of the Company.

Secretarial audit of secretarial and related records of the Company was conducted by the aforesaid auditor and a copy of the secretarial audit report is annexed as **Annexure – IV** and forms an integral part of this report. The Secretarial Audit Report does not contain any qualifications, reservations, adverse or disclaimer remarks.

**16. Corporate Governance**

The Corporate Governance Report of the Company for the year under review, is attached as **Annexure – V** forming an integral part of this report.

Certificate from CS Jaspreet Singh Dhawan, a Practising Company Secretary regarding the compliance with the conditions of the Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), is annexed to the Corporate Governance Report and forms an integral part of this Report.

**17. Extract of Annual Return**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the website of the Company at <https://www.ethoswatches.com/investors-information/financial>.

### 18. Meetings of the Board and the Committees

During the financial year under review, 8 (eight) meetings of the Board of Directors were held. The details of dates of the above meetings including the attendance of the Directors are given in the Corporate Governance Report which forms part of this Annual Report.

### 19. Director's Responsibility Statement

In accordance with the provisions of Section 134 (3)(c) and 134(5) of the Companies Act, 2013, the Board, to the best of its ability confirms that:—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 20. Details of Subsidiaries, Joint Ventures and Associate Companies

During the year under review, the particulars of Subsidiary, Joint Ventures and Associate Companies are as under:-

Cognition Digital LLP ('Cognition') - Cognition is a wholly owned subsidiary body corporate of the Company and is engaged in the business of developing and implementing information technologies (IT) and conduct IT based businesses including retail and distribution of consumer and other goods. During the year under review, it has reported revenue from operations amounting to ₹ 469.62 lakh and its net profit stood at ₹ 103.74 lakhs.

Silvercity Brands AG ('Silvercity') – Silvercity is an associate body corporate of the Company and is engaged in the business of acquisition and sale, holding and management of Intellectual property rights and license rights, especially in the watch industry and related areas; buying and selling, marketing and development of watches, related products and others luxury goods; it also provides services in these areas. During the year under review, it has reported revenue from operations amounting to ₹ 106.61 lakh and its net loss stood at ₹ (76.58) lakhs.

Pasadena Retail Private Limited ('Pasadena') - Pasadena is a joint venture of the Company and is engaged in the business of retail of watches. During the year under review, it has reported revenue from operations amounting to ₹ 1,299.03 lakh and its net profit stood at ₹ 148.17 lakhs.

RF Brands Private Limited ('RF Brands') – RF Brands is a wholly owned subsidiary company and is engaged in the business of distribution of watches. The Company is yet to start its operations.

In terms of the provisions of Regulation 24(1) of the Listing Regulations, appointment of the Independent Director of the Company on the Board of material subsidiaries was not applicable to Cognition Digital LLP.

During the year under review, the Board has reviewed the affairs of associate, subsidiary body corporate and joint venture company. The Consolidated Financial Statements of the Company are prepared in accordance with the Companies Act, 2013 read with rules made thereunder and applicable IND AS along with the relevant documents and Auditors' Report thereon forms part of this Annual Report.

In accordance with the provisions of Section 136(1) of the Companies Act, 2013 read with rules made thereunder, the Annual Report of the Company containing therein the audited standalone and consolidated financial statement and the audited financial statements of subsidiary body corporate and joint venture Company have been placed on the website of the Company. The audited financial statements in respect of subsidiary body corporate and joint venture Company shall also be kept open for inspection at the Registered Office/Corporate Office of the Company during working hours for a period of 21 days before the date of ensuing AGM. The aforesaid documents are also available to the members who are interested in obtaining the same upon a request made to the Company.

A separate statement containing salient features of the financial statements of the Company's subsidiary/associate in prescribed format in Form AOC – 1 is annexed as **Annexure – VI** to this report.

The Policy on Determining Material Subsidiaries as approved by the Board is available on the Company's website and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/POLICY\\_ON\\_DETERMINING\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.ethoswatches.com/investors-information/download/policies/POLICY_ON_DETERMINING_MATERIAL_SUBSIDIARIES.pdf).

### 21. Deposits from shareholders

Following details of deposits, covered under Chapter V of the Companies Act, 2013 is given hereunder:-

	Amount in Rs. lacs
Deposits existing as on April 1, 2023	680.94
Deposits accepted during the year (from April 1, 2023 to March 31, 2024)	Nil
Deposits renewed during the year (from April 1, 2023 to March 31, 2024)	Nil
Deposits paid/pre-matured during the year (from April 1, 2023 to March 31, 2024)	53.87
Deposits outstanding at the end of year i.e. at March 31, 2024*	627.07
Deposits that have matured but not claimed as at the end of the year i.e. at March 31, 2024	Nil
Deposits that have matured and claimed but not paid as at the end of the year i.e. at March 31, 2024	Nil
Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	No
The details of deposits which are not in compliance with the requirements of Chapter	Nil

\*The above details of deposits exclude deposits from Directors.

### 22. Vigil Mechanism/Whistle Blower

The Company has formulated and implemented 'Ethos Limited – Vigil Mechanism/Whistle Blower Policy' to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The same is hosted on the website of the Company at the link [https://www.ethoswatches.com/investors-information/download/policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf). The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

During the year under review, the status of the concerns or complaints reported stands as follows :-

No. of concerns or complaints outstanding as at April 1, 2023	Nil
No. of concerns or complaints received during the year	Nil
No. of concerns or complaints resolved during the year	Nil
No. of concerns or complaints outstanding as at March 31, 2024	Nil

### 23. Performance evaluation of the Board

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual directors was conducted during the year. The evaluation was carried out based on the criterion and framework approved by the Nomination and Remuneration Committee ('NRC'). A detailed disclosure on the parameters and the process of Board evaluation as well as the outcome has been provided in the Report on Corporate Governance.

At a separate meeting of Independent Directors, the performances of Non-Independent Directors, the Board as a whole and the Chairman were evaluated, considering the views of Executive Directors and Non-Executive Directors.

### 24. Policy on Director's appointment and remuneration

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act, has been disclosed in the Corporate Governance Report which forms part of this Annual Report. The Remuneration Policy and Nomination and Remuneration Policy as approved by the Board is available on the Company's website and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/NRC\\_policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/NRC_policy.pdf).

The details of remuneration to Non-Executive Director, is given in Corporate Governance Report forming part of this Annual Report.

### 25. Risk Management

The Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Policy on Risk Management as approved by the Board is available on the Company's website and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/RISK\\_MANAGEMENT\\_POLICY.pdf](https://www.ethoswatches.com/investors-information/download/policies/RISK_MANAGEMENT_POLICY.pdf).

### 26. Internal Financial Controls (IFC) and their adequacy

The Company maintains adequate internal control systems, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguard of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures in all areas of its operations. The services of internal and external auditors are sought from time to time as well as in-house expertise and resources. The Company believes that it has sound internal control systems commensurate with the nature and size of its business. The Company continuously upgrades these systems in line with best-in-class practices.



These reports and deviations are regularly discussed with the Management and actions are taken, whenever necessary. The Audit Committee of the Board periodically reviews the adequacy of the internal control systems.

### 27. Employee Stock Option Plan

There is no employee stock option plan subsisting or continuing as on date.

### 28. Particulars of employees

The information pertaining to the remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure - VII** which forms part of this Report.

In terms of the provisions Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits as set out in the said rules are provided in this Annual Report.

In terms of the proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members of the Company excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office/Corporate Office of the Company during business hours on working days. Members interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. Such details are also available on the Company's website at <https://www.ethoswatches.com/investors-information>.

### 29. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure - VIII** and is forming part of this report.

### 30. Cost Records

Neither maintenance of cost records nor audit of cost records as required under Section 148 of the Act read with relevant rules made thereunder is applicable to the Company.

### 31. Committees of the Board

The various Committees of the Board focus on certain specific areas as per their terms of reference and scope. As such, these Committees take informed decisions in line with the delegated authority.

Following statutory Committees are constituted by the Board according to their respective roles and defined scope:

- a) Audit Committee,
- b) Nomination and Remuneration Committee,
- c) Stakeholders Relationship Committee,
- d) Corporate Social Responsibility Committee,
- e) Risk Management Committee, and
- f) Fund Raising Committee

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

The Company has adopted Code of Conduct for its Directors and senior management personnel and the same can be accessed using the following [https://www.ethoswatches.com/investors-information/download/policies/CODE\\_OF\\_CONDUCT\\_FOR\\_BOARD\\_OF\\_DIRECTORS\\_AND\\_SENIOR\\_MANAGEMENT.pdf](https://www.ethoswatches.com/investors-information/download/policies/CODE_OF_CONDUCT_FOR_BOARD_OF_DIRECTORS_AND_SENIOR_MANAGEMENT.pdf).

All Directors and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management.

### 32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing a safe and conducive work environment to all its employees and associates. The Company has implemented a 'Policy on Prevention of Sexual Harassment at Workplace' in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees, consultants, trainees, volunteers, third parties and/or visitors at all business units or functions of the Company and its subsidiaries and/or its affiliated or group companies are also covered by the said policy. Adequate workshops and awareness programmes against sexual harassment are conducted across the organisation. The Company has set up an Internal Complaints Committee for the aforesaid purpose and during the year, there was no complaint received by the Company.

The Policy on Prevention of Sexual Harassment as approved by the Board is available on the Company's website and can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/Policy\\_on\\_prevention\\_of\\_sexual\\_harassment.pdf](https://www.ethoswatches.com/investors-information/download/policies/Policy_on_prevention_of_sexual_harassment.pdf).

### 33. Receipt of any commission/remuneration by Managing Director of Company from its Holding or Subsidiary Company

KDDL Limited is the listed Holding Company of the Company. Mr. Yashovardhan Saboo is the Chairman and Managing Director of KDDL Limited as well as your Company. He receives managerial remuneration in KDDL Limited as well as your Company in compliance with the provisions of section 196, 197, 198 read with rules and schedules made thereunder of the Companies Act, 2013. Further, no subsidiary Company of the Company has paid any commission/remuneration to the Directors of the Company for the financial year 2023-24.

### 34. Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016 (IBC)

There are no proceedings, initiated by any Financial Creditor or Operational Creditor or by the Company, under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2023-24.

### 35. Green Initiatives

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs, Government of India (MCA) and Securities & Exchange Board of India, the Company is dispatching the Notice of the 17<sup>th</sup> (Seventeenth) AGM and the Annual Report of the Company for the year 2023-24, only by email to the shareholders whose email ids are either registered with the Depository Participants ('DPs'), Registrar and Transfer Agents ('RTA') or the Company.

The Company supports the 'Green Initiative' undertaken by MCA, enabling electronic delivery of documents including Annual Report etc. to shareholders at their e-mail address already registered either with the DPs, RTA or the Company. Additionally, the Company conducts various meetings by means of electronic mode in order to ensure the reduction of its carbon footprint.

In view of the above, shareholders who have not yet registered their email addresses, are once again requested to register the same

with their DPs/ RTA/ Company for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically.

### 36. Acknowledgements

Your directors would like to place on record their sincere thanks and appreciation for the sustained support and co-operation extended by its members, bankers, business associates, consultants, and various Government Authorities during the year under review. Your directors would also like to place on record its sincere appreciation for the efforts put in by the employees whose efforts, hard work and dedication has enabled the Company to achieve all recognitions during the year.

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

**Yashovardhan Saboo**

Chairman and Managing Director  
DIN-00012158

Date : August 23, 2024  
Place : Gurugram

**Annexure - I**

**Business Responsibility and Sustainability Report**



**SECTION A: GENERAL DISCLOSURES**

**I. Details of the listed entity**

1.	Corporate Identity Number (CIN) of the Listed Entity	L52300HP2007PLC030800
2.	Name of the Listed Entity	Ethos Limited
3.	Year of incorporation	November 5, 2007
4.	Registered office address	Plot no. 3, Sector III, Parwanoo, Himachal Pradesh - 173 220, India
5.	Corporate address	S.C.O. 88-89, Sector 8-C, Madhya Marg, Chandigarh 160 009, India
6.	E-mail	<a href="mailto:investor.communication@ethoswatches.com">investor.communication@ethoswatches.com</a>
7.	Telephone	0172-2548223/24
8.	Website	<a href="http://www.ethoswatches.com">www.ethoswatches.com</a>
9.	Financial year for which reporting is being done	April 01, 2023 – March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 24.48 crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Yashovardhan Saboo Chairman and Managing Director Email address - <a href="mailto:investor.communication@ethoswatches.com">investor.communication@ethoswatches.com</a> Contact details - 0172-2548223-24
13.	Reporting boundary	On Standalone basis pertaining to Ethos Limited
14.	Name of Assurance provider	No third party has been appointed to carry out an assessment/evaluation/assurance on the BRSR indicators reported by the Company
15.	Type of Assurance obtained	Not applicable

**II. Products/services**

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Trade	Retail Trading	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Watch and Watch accessories	47732	97.83

**III. Operations**

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	92	92
International	Not applicable	2	2

\* includes 63 retail stores, 8 back end offices, 10 service centres and 11 warehouses.

\*\* includes a branch office and an associate body corporate office located at Switzerland.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	15
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. The Company does not export any of its goods.

c. A brief on types of customers

Our customers constitute of retail consumers who have passion for premium and high-end luxury watches. Our customer base includes passionate collectors and fashion-conscious buyers with an eye for quality time pieces. Ethos being India's leading luxury and premium watch retail player, caters to customers who wish to undergo a content-led luxury experience via a strong online platform of the Company's website and social media channels, which is anchored by pan-India physical stores situated at 63 locations across the country.

**IV. Employees**

20. Details at the end of March 31, 2024

a. Employees and workers (including differently abled)

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	617	506	82.01%	111	17.99%
2.	Other than Permanent (E)	11	7	63.64%	4	36.36%
3.	<b>Total employees (D+E)</b>	<b>628</b>	<b>513</b>	<b>81.69%</b>	<b>115</b>	<b>18.31%</b>
<b>WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	<b>Total workers (F+G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	0	0	2	100%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D+E)</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>100%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F+G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

21. Participation/Inclusion/Representation of women

Category	Total (A)	Female	
		No. (B)	% (B/A)
Board of Directors	10	1	0.10
Key Management Personnel	5	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Category	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.5%	9.2%	29.7%	20%	8.8%	28.8%	20.6%	5.8%	26.3%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint venture	Indicate whether holding/ Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	KDDL Limited	Holding	47.03% (directly) and 6.80% (indirectly)	Yes
2	Cognition Digital LLP	Wholly owned Subsidiary	100%	No
3	Pasadena Retail Private Limited	Joint Venture	50%	No
4	Silvercity Brands AG	Associate	35%	No
5	RF Brands Private Limited	Wholly owned Subsidiary	100%	No

**VI. CSR Details**

24.

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013:-	Yes
(ii)	Turnover (in ₹) For the year ended March 31, 2023:-	78,853.37 lakhs
(iii)	Net worth (in ₹) As at March 31, 2023:-	63,117.68 lakhs

**VII. Transparency and Disclosure Compliances**

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received.	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	<a href="https://www.ethoswatches.com/investors-information/">https://www.ethoswatches.com/investors-information/</a>	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	<a href="#">investor-contacts</a>	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil
Customers		287	11	Nil	Nil	Nil	Nil
Value Chain Partners		Nil	Nil	Nil	Nil	Nil	Nil
Others (please specify)		Nil	Nil	Nil	Nil	Nil	Nil

26. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Customer satisfaction	Opportunity	Customer satisfaction represents a valuable opportunity for a retail company, as it enables the Company to build deeper connections with its customers, strengthen differentiating the brand in a competitive retail landscape and ultimately drive sales. By focusing on various customer engagement practices, we can boost sales and strengthen its market position.	With changes in the dynamic environment, we are profusely engaging ourselves with our customers through loyalty programs, events, friends and family sale etc. and ensure strengthening our market position.	Positive:- The Company strongly promulgates customer engagement programs for active participation of our customers.

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Empowering Workforce: Engaging and Developing Talent	Opportunity	Prioritizing employee engagement and talent management opens doors for the company and builds a diverse workforce that boosts talent attraction and productivity. A positive work culture can lead to a knowledgeable and motivated workforce, improved customer satisfaction, innovation, increased sales and market share.  Training programs and talent succession planning empower employees and enhance performance.	We build a strong employer brand, attract and retain top talent who align with our values, ethics, vision and mission. Our performance management system recognizes and rewards the exceptional contributions of our high performing employees.	Positive:- By investing in enhancing employee experience, we can drive outcomes that directly impact the satisfaction of our team members and customers. A positive and engaging work environment will foster higher productivity, collaboration and overall job satisfaction, leading to improved customer experiences and loyalty
3	Health, Safety and Well-being of Employees	Risk	Health, Safety and Well-being risks to employees is significant. Employees face hazards from high foot traffic, potential exposure to infectious diseases and operational accidents. Any health and safety issues can lead to operational disruptions, loss of trust and legal consequences.	Implementation of robust health and safety programme, which can improve employee morale, reduce absenteeism and enhance the store's reputation as a responsible employer, potentially attracting more customers and talent in a longer run.	Negative:- Insurance schemes shall contain parameters to combat such risks and mitigate harms owing out of such instances.
3	Environment and Corporate Social Responsibility	Opportunity	Ethos actively engages in various environmental activities driven by a commitment to positively impact environment through enduring and impactful initiatives.  Our 'Million Tree Project' aims to plant one million trees over the next 10 years. Starting 2021, one tree will be planted for every watch sold at Ethos. Furthermore, Ethos plans to engage in other CSR activities as well to foster inclusive sustainable growth.	With larger emphasis on higher returns that too coupled with environmental sustainability, we believe in propagating and executing reasonable & substantial initiatives for safeguarding environment and ensure sustainable development in the years to come.	Positive:- We strongly emphasize the responsibility towards sustainable development and the need to protect and safeguard environment.
4	Business Ethics, Integrity, Transparency and Compliance	Opportunity and Risk	At Ethos, ethics and integrity have always been the key values that have enabled the organisation to gain stakeholder's trust and build reputation. This ensures that the organisation conducts the business in ethical and transparent manner to remain successful over the long run. Inconsistent ethical practices can also lead to internal conflicts and misalignment with corporate values.	We have established clear policies, standard operating procedures and guidelines, provide training and implement internal controls. Encourage reporting of concerns and maintain a culture that supports whistleblowing, conduct regular audits and seek guidance from external experts. Internal controls enhance efficiency and enable effective resource allocation.	Positive:- It can lead to increased consumer loyalty, positive brand perception and improved business opportunities.  Negative:- Unethical behaviour can tarnish the company's reputation, leading to decreased consumer trust and difficulty attracting and retaining top talent.

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Innovation and Digitalisation	Opportunity	The rapid emergence of digital technologies offers exciting opportunities for transformative change for a business model like that of Ethos. By building digital capabilities in our systems, workforce, and business models, we can ensure the future readiness of our operations and adapt swiftly to evolving stakeholders demand. Embracing digital transformation empowers us to innovate, foster agility and effectively meet the ever-changing needs of our stakeholders.	Our management is focussed on exciting opportunities in digital world and keen to develop its team to ensure aligning its goals with the transformative change which digitisation can bring to the organisation.	Positive:- By embracing digital transformation and leveraging emerging technologies, we enhance our ability to adapt, optimize processes and improve efficiency. This proactive approach enables us to stay agile in a rapidly evolving business landscape while building capabilities to meet future challenges.
6	Corporate Governance and Compliances	Opportunity and Risk	Compliance is the foundation to build the reputation of the Company. It is important to continue to ensure regulatory compliances to build trust among stakeholder groups while also ensuring operations are in line with relevant and applicable laws to avoid legal violations.	Ethos has adopted a digitally enabled comprehensive Compliance Management tool which is robust to track non compliances and engage teams in all time involvement in the Company's endeavour for zero tolerance on non-compliance. Effective control and efficient oversight of senior management is ensured by cascading their responsibility till the last performer of the activity.	Positive:- It ensures adherence to laws and regulations, bolstering the company's reputation as a responsible and trustworthy organization. This, in turn, can lead to increased customer loyalty, positive brand perception and improved business opportunities  Negative: Non-compliance with regulations and compliances may result to legal penalties, fines and litigation, causing financial strain and reputational damage.
7	Data privacy and data security	Opportunity and Risk	The business is susceptible to data breaches, leading to the loss of sensitive customer information, legal penalties and damage to the goodwill. Non implementation of robust policies on data security may result in routine lapses and non-compliance with privacy laws as applicable, incurring heavy fines and eroding customer trust.	Develop robust privacy solutions to avoid potential frauds, regularly conduct audits to improve security lapses. Further, education to employees, establishment of database management systems and policies to stay compliant with data security standards.	Negative :- Non-compliance with regulations and compliances may result to legal penalties, fines and litigation, causing financial strain and reputational damage.



**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9																																																																											
<b>Policy and management processes</b>																																																																																				
1. a. Whether your entity's policy/policies cover each principle and it	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
c. *Web Link of the Policies, if available	<a href="https://www.ethoswatches.com/investors-information/corporate">https://www.ethoswatches.com/investors-information/corporate</a>																																																																																			
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	No	No	No	No	No	No	No	No	No																																																																											
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes																																																																											
<b>Governance, Leadership and Oversight</b>																																																																																				
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Please refer to "Management Discussion and Analysis" forming an integral part of the Annual Report																																																																																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Yashovardhan Saboo Chairman and Managing Director Email id – <a href="mailto:investor.communication@ethoswatches.com">investor.communication@ethoswatches.com</a> Contact details – 0172/2548223/24																																																																																			
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, The Directors and Senior Leadership Team of the Company monitors various aspects of Social, Environmental & Governance responsibilities of the Company on a continuous basis.  The Business Responsibility and Sustainability performance of the Company is assessed annually by the Board of Directors of the Company.																																																																																			
10. Details of Review of NGRBCs by the Company:	<table border="1"> <thead> <tr> <th rowspan="2">Subject for Review</th> <th colspan="9">Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee</th> <th colspan="9">Frequency (Annually/Half yearly/Quarterly/Any other – please specify)</th> </tr> <tr> <th>P1</th> <th>P2</th> <th>P3</th> <th>P4</th> <th>P5</th> <th>P6</th> <th>P7</th> <th>P8</th> <th>P9</th> <th>P1</th> <th>P2</th> <th>P3</th> <th>P4</th> <th>P5</th> <th>P6</th> <th>P7</th> <th>P8</th> <th>P9</th> </tr> </thead> <tbody> <tr> <td>Performance against above policies and follow up action</td> <td colspan="9">The Committees of the Board review progress with respect to set action plans covered under many of the above principles</td> <td colspan="9">Annually</td> </tr> <tr> <td>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</td> <td colspan="9">The Committees of the Board review progress with respect to set action plans covered under many of the above principles.</td> <td colspan="9">Annually</td> </tr> </tbody> </table>									Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)									P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	Performance against above policies and follow up action	The Committees of the Board review progress with respect to set action plans covered under many of the above principles									Annually									Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Committees of the Board review progress with respect to set action plans covered under many of the above principles.									Annually								
Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee										Frequency (Annually/Half yearly/Quarterly/Any other – please specify)																																																																									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9																																																																		
Performance against above policies and follow up action	The Committees of the Board review progress with respect to set action plans covered under many of the above principles									Annually																																																																										
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Committees of the Board review progress with respect to set action plans covered under many of the above principles.									Annually																																																																										
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the assessment was carried out internally at regular intervals of time and as per requirements.																																																																																			

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
It is planned to be done in the next financial year (Yes/No)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Any other reason (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1**

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors/ Key Managerial Personnel	4	1. Corporate Social Responsibility 2. Prohibition of Insider Trading and sharing of UPSI 3. ESG and NGRBCs Principles 4. Familiarization programmes for Independent Directors	100%
Employees other than BOD and KMPs	4	1. Prohibition of Insider Trading and sharing of UPSI 2. Business Responsibility and Sustainability Reporting 3. ESG and NGRBCs Principles 4. Town Hall Meetings	100%
Workers	-	-	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

Non – Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has a robust Anti-Corruption and Anti Bribery policy which can be accessed at [https://www.ethoswatches.com/investors-information/download/policies/Annexure\\_15\\_a\\_Anti-%20Corruption\\_and\\_Anti%20Bribery\\_policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/Annexure_15_a_Anti-%20Corruption_and_Anti%20Bribery_policy.pdf)

The Company believes in strict adherence to principles of good corporate governance and managing its affairs in a fair, honest, ethical and transparent manner as an integral part of its philosophy. The Company has formulated this policy to ensure that no employee of the Company indulges in and associates with any act of bribery, extortion or corruption with any government officials or any person or on behalf of the Company.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no complaints received in relation to conflict of interest, the Company was not necessitated to take any corrective action.

8. Number of days of accounts payables ((Accounts payable \*365 days)/Cost of goods /goods procured) in the following format:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	N.A.	N.A.

9. Open-ness of business

Provide details of concentration of purchase and sales with trading houses, dealers and related parties along with loans and advances and investments, with related parties in the following format:-

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as percentage of total purchases	N.A.	N.A.
	b. Number of trading houses where purchases are made from	N.A.	N.A.
	c. Purchases from top 10 trading houses as percentage of total purchases from trading houses	N.A.	N.A.
Concentration of Sales	a. Sales to dealers/distributors as percentage of total sales	N.A.	N.A.
	b. Number of dealers/distributors to whom sales are made	N.A.	N.A.
	c. Sales to top 10 dealers/distributors as percentage of total sales to dealers/distributors	N.A.	N.A.
Share of RPTs in	a. Purchases (Purchases with relates parties/Total Purchases)	N.A.	N.A.
	b. Sales (Sales to related parties/Total Sales)	N.A.	N.A.
	c. Loans and advances (Loans and advances given to related parties/Total loans and advances)	N.A.	N.A.
	d. Investments (Investments in related parties/ Total investments made)	N.A.	N.A.

**Leadership Indicators**

1. Awareness programmes conducted for the value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	<ul style="list-style-type: none"> <li>Induction Programs</li> <li>Leadership review</li> <li>Performance Assessments</li> </ul>	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, as part of the corporate governance practices, the Company receives Annual Disclosures/Declaration (as amended from time to time) from its Board members and Key Managerial Personnels on the entities they are interested in. In addition to this all members of the Board along with KMPs and SMPs affirm to the Code of Conduct formulated by the Company whereby they affirm to disclose potential conflicts of interest that they may have regarding any matter, if any, at the Board Meetings and any Director having such conflict of interest will abstain himself/herself from discussions and voting on the concerned matter.

Further, all related party transactions and engagements are reviewed by the Audit Committee, Board and the Auditors of the Company on a quarterly basis. Moreover, all the related party transactions and engagements in the last financial year and the preceding years were done on an arm's length basis and the Company did not engage in any transactions that could be considered as material in accordance with the Company's Policy on Materiality of and Dealing with Related Party Transactions.

Company's Code of Conduct for Board Directors and Senior Management and Policy on Materiality of the related party transactions are available on the website of the Company and can be accessed at <https://www.ethoswatches.com/investors-information/corporate>

**PRINCIPLE 2**

Businesses should provide goods and services in a manner that is sustainable and safe

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	N.A.	N.A.	N.A.
Capex	N.A.	N.A.	N.A.

2. a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

To achieve goals and ensure ethical conduct, it is empirical that the suppliers share Company's values and visions; and raise the sustainability standards in the supply chain. In line with the Company's commitment, the Company has formulated a Sustainable Procurement Policy which is an extension of its values and is applicable to all the suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Process to safely reclaim the product
a. Plastics (including packaging)	The recyclable or reusable wastes are limited to corrugated boxes, bubble wraps and papers. Corrugated boxes find their further uses in the warehouses of the Company for the further storage purposes. The rest is sold as commodity to recyclers. Wherever possible the Company asks the vendors to reduce bulky packaging on the products and also encourages the use of packaging material which is recyclable or reusable
b. E-Waste	Our Company responsibly disposes e-waste by entrusting it to authorised e-waste collectors for scientific disposal. This ensures that e-waste is managed in an environmentally sound manner, minimising its impact on the environment and human health
c. Hazardous Waste	Due to nature of our retail operations, our Company generates no hazardous waste.
d. Other Waste	Nil

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility (EPR) is not applicable as the Company is in Retail sector. Centralised waste is collected by various agencies at various locations and is utilised as per the mitigation plans of such agencies.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No) If yes, provide the web - link.
Not Applicable as the Company is in retail sector.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Not Applicable as the Company is in retail sector.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year)
Not Applicable as the Company is in retail sector.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	(Current Financial Year)			(Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	The Company operates in Luxury Retail Segment and therefore, the recyclable or reusable wastes are limited to corrugated boxes, bubble wraps and papers. The percentage of recycled or reused input material to total material (by value) is negligible.					
E-waste						
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable as the Company is in retail sector.	

**PRINCIPLE 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains

**Essential Indicators**

1. a. Details of measure for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	506	0	0	506	100	0	0	0	0	0	0
Female	111	0	0	111	100	111	100	0	0	0	0
<b>Total</b>	<b>617</b>	<b>0</b>	<b>0</b>	<b>617</b>	<b>100</b>	<b>111</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male	7	0	7	0	100	0	0	0	0	0	0
Female	4	0	4	4	100	4	100	0	0	0	0
<b>Total</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>100</b>	<b>100</b>	<b>4</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- b. Details of measure for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:-

	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year)
Cost incurred on well-being measures as a percentage of total revenue of the Company	-	-

2. Details of retirement benefits, for Current FY and Previous FY.

Benefits	FY 2023-24			FY 2022-23		
	Current Financial Year			Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.87%	-	Y	99.81%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	6.22%	-	Y	6.18%	-	Y

3. Accessibility of workplaces.

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company duly recognizes the principles laid down under United Nation Convention on Rights of Persons with Disabilities and Right of Persons with disabilities. Retail stores and Backend Offices of the Company are located at various malls across the country whereby all kinds of facilities including accessible infrastructure, accessible washrooms, accessible transportation, accessible information and technology are provided to the persons with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, in pursuance of section 21 of Rights of Persons with Disabilities Act, 2016 read with relevant rules made thereunder, the Company has equal opportunity policy in place which is available on the website of the Company and can be accessed at <https://www.ethoswatches.com/investors-information/corporate>.

The Company upholds the principle of equal opportunity for all its employees, affirming its dedication to fostering an inclusive workplace culture devoid of discrimination. The Board of Directors and Senior Management adhere to principles of fairness and do not differentiate individuals based on gender, race, religion, age, disability, sexual orientation, national origin, or any other defining characteristic.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

6. Is there a mechanism available to receive and redress grievances for the following category of employees and workers? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of mechanism in brief
Permanent Workers	NA	Not Applicable
Other than Permanent Workers	NA	
Permanent Employees	Yes	Details of mechanism given below
Other than Permanent Employees	Yes	

- The Company is committed to maintain transparency and open communication, consistently arranging town hall meetings and individual sessions with supervisors to address any issues that may arise.
- The Company has established Vigil/Whistle Blower Mechanism to report any instance of unethical behaviour, actual or suspected fraud.
- The Company has formulated a policy to create a mechanism for prevention, prohibition and redressal of sexual harassment so that women can work with dignity and equality in a safe environment.
- Additionally, the Company ensures that new hires are educated about the Code of Conduct during their onboarding process, which is an integral part of the induction program.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total employees/ workers in respective category (A)	No. of employee/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employee/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil
Total Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	105	0	0	105	100%	26	1	3.85%	25	96.15%
Female	41	0	0	41	100%	26	1	3.85%	25	96.15%
<b>Total</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>146</b>	<b>100%</b>	<b>52</b>	<b>2</b>	<b>3.85%</b>	<b>50</b>	<b>96.15%</b>
<b>Workers</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	513	513	100%	440	440	100%
Female	115	115	100%	94	94	100%
<b>Total</b>	<b>628</b>	<b>628</b>	<b>100%</b>	<b>534</b>	<b>534</b>	<b>100%</b>
<b>Workers</b>						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company acknowledges the significance of ensuring employee safety. Ethos has taken measures to provide a safe working environment for all employees. The Company has equipped both stores and offices with first aid kits, and a doctor is available on call to address any medical concerns. This demonstrates the Company's commitment to maintain a secure and healthy workplace for its staff. The Company also has a Comprehensive Group Insurance Policy to ensure employee's safety while travelling during the course of their duty.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

An internal assessment for all risks and hazards relating to routine as well as non-routine works are carried out at regular intervals by the Administration and Human Resource Department. Such outcomes are then shared with Top Management. After which the mitigation plans are implemented in the existing processes.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

No, as the Company does not have any workers.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million – person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill – health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Ethos adheres to the Occupational Safety, Health and Working Conditions Code, 2020 to prioritize employee safety.
- Employee health and safety are further ensured through benefits such as health and accident insurance.
- Regular sanitization of high-touch areas like doorknobs and desks is carried out to maintain a hygienic workplace.
- Employees undergo regular health check-ups to ensure their well-being.

13. Number of Complaints on the following made by the employees and workers:-

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution as at the end of the year	Remarks	Filed during the year	Pending resolution as at the end of the year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:-

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Not Applicable
Working conditions	Not Applicable

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

For safety precautions against the hazards posed by electricity and fire, our company has instituted fire sprinklers and emergency exit sign boards

**Essential Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees: Yes, the Company offers Group Personal Accident Insurance and compensatory packages to its employees in case of death and supporting their families to avoid financial difficulties.

b. Workers: Not Applicable



2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Yes, the Company undertakes measures to ensure that statutory dues are deducted and deposited by its value chain partners. The Company requires its partners to provide relevant tax documents such as TDS and GST certificates to ensure compliance with tax regulations. Additionally, the Company conducts periodic audits to ensure that all necessary deductions have been made and remitted to the appropriate authorities. These measures are put in place to ensure that the Company and its value chain partners operate in accordance with legal requirements and avoid any potential legal or financial liabilities. The Company approaches the value chain partners on a regular interval for the reconciliation of the accounts maintained at their ends for mitigating the lapses and ensuring proper reconciliation on an ongoing basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company offers diverse programme assistance and training sessions to support ongoing employability.

5. Details on assessment of value chain partners:

Name of Product/Service	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company presently faces no notable risks or concerns stemming from evaluations of health and safety practices and working conditions of value chain partners.

**PRINCIPLE 4**

**Business should respect the interests of and be responsive to all its stakeholders.**

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The process follows a five-step process which is described as follows: -

- Comprehensive review of all stakeholders
- Purpose of identifying key stakeholders and set priorities
- Impact Assessment of stakeholders on the business
- Identification of stakeholders needs and interests
- Prioritisation of key stakeholders based on importance of the business

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder groups.

Stakeholder Group	Whether Identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement
Shareholders	No	General Meetings, Notices, Emails, Website, Communication to stock exchanges, Annual Reports	Continuous
Investors	No	Investor calls, Investor meets, Emails, Meetings, Notices, Annual Reports, Company Events, Website	Continuous
Customers	No	Direct contact, Emails, SMS, Newspaper, Magazine, Website, Advertisements, Events	Continuous
Government/Regulatory Bodies	No	Emails, personal meetings, Video calls, Website	As per the statutory requirements
NGOs/CSR Organisation	Partially Yes	Emails, Calls, Direct contacts	As and when required
Employees	No	Direct contact/ social intranet/ Emails/employee apps/ townhall meetings	Continuous
Communities	No	Emails, SMS, Website, social media, Advertisement	Continuous
Vendors	No	Emails, Personal meetings, Website	As and when required
Media	No	Interviews, Emails, Website, Newspapers	As and when required
Value Chain Partners	No	Website, Events, Emails	As and when required

Stakeholder Group	Purpose of Engagement
Shareholders	<ul style="list-style-type: none"> <li>• To inform and discuss the Company's performance, their participation and involvement in future prospects</li> <li>• To ensure transparency of disclosure and spread awareness about their rights</li> <li>• To ensure good governance and deepen the trust placed in us and our brand</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• To inform and discuss the Company's performance, their participation and involvement in future prospects</li> <li>• To maintain strong relationships, keep abreast of market developments and inform our shareholder's targeting strategy</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• To have better connect with them and to ensure proper services are being provided to them</li> <li>• To decide the investments and capabilities required to fulfil demand</li> <li>• To identify the opportunities to improve services</li> </ul>
Government/Regulatory bodies	<ul style="list-style-type: none"> <li>• To build and strengthen relationships with the government as a partner in the country's development and as a critical client</li> <li>• To provide input into legislative development processes that will affect the economy and our activities and operations</li> </ul>
NGOs/CSR Organisation	<ul style="list-style-type: none"> <li>• To Support CSR and ESG projects</li> <li>• To enhance their livelihood</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• To provide staff with strategic direction and keep them informed about Company's activities, Vision and Values</li> <li>• To ensure that we provide a safe, positive and inspiring working environment</li> <li>• Career management and Growth Prospects</li> <li>• To understand and respond to the needs and concerns of employees</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• To provide appropriate advice, proactive financial solutions and value adding services</li> <li>• To ensure that the company maintains high service levels that they expect and deserve</li> <li>• To enhance their livelihood</li> </ul>
Vendors	<ul style="list-style-type: none"> <li>• For the performance of contracts and agreements</li> <li>• To obtain feedback for the improvisation of their services which leads to company's growth</li> <li>• To encourage responsible practices across our supply chain, local procurement, supplier conduct and environmental considerations</li> </ul>
Media	<ul style="list-style-type: none"> <li>• To leverage the reach of media channels to share our business story with our stakeholders</li> <li>• To communicate with stakeholders and the broader public to influence behaviour that will lead to desired business results</li> </ul>

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company actively consults with stakeholders on environmental, social, and governance (ESG) topics through its various departments, ensuring continuous engagement. The Company gathers feedback regularly and integrates it into its strategy, aligning with its mission and vision. Material issues are internally reviewed, prioritized, and brought to relevant stakeholders for discussion, considering their impact on both the stakeholders and the business.

Given the fact that the primary activity of the Company is retail operations instead of manufacturing operations, environmental concerns are minimal. During the quarterly meetings, the Key Managerial Personnel and Senior Management Personnel update the Board of Directors on stakeholders' feedback and proposed initiatives for active consideration.

2. Whether stakeholder consultation is used to support the identification and management of environmental, social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental and social topics. The Company conducted an internal materiality assessment during the ESG reporting process to identify key stakeholders and their concerns. Stakeholder consultation is then carried out to understand their perspective on these issues. Inputs received from stakeholders are considered while developing policies and activities related to environmental and social topics. Such inputs are appropriately considered, relevant and crucial inputs are then implemented by way of a policy formulated by the Board.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company has spent the CSR contribution towards Rural Livelihood, Agroforestry and Social Forestry through Sankalp Taru Foundation and SayTrees Environmental Trust. The contributions made were utilised for identification and audit of land/villages, mobilisation of farmers, other monitoring evaluation and learning initiatives, procurement of sapling, soil testing, capacity building of farmers, geo- tagging and polygon mapping of the farms.

**PRINCIPLE 5**

**Businesses should respect and promote human rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of Employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	617	617	100%	534	534	100%
Other than Permanent	11	11	100%	16	16	100%
<b>Total Employees</b>	<b>628</b>	<b>628</b>	<b>100%</b>	<b>550</b>	<b>550</b>	<b>100%</b>
<b>Workers</b>						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Employees</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Workers</b>										
<b>Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

Category	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year	
	Number	Median remuneration/ salary/ Wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	10	39,25,00	12	11,15,000
Key Managerial Personnel	5	1,47,89,000	3	1,09,09,816
Employees other than BOD and KMP	617	5,86,728	527	5,65,353

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Internal Committee for ESG is accountable for handling human rights impacts or issues instigated or influenced by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Human rights stand as an unwavering top priority for the Company. Through its Unified Code of Conduct, which applies to all employees, business associates, and third-party contractors, the Company unequivocally expresses its commitment to upholding human rights. The Company complies with all laws embodying human rights principles, including those prohibiting child labour, promoting gender equality, safeguarding civil liberties, preventing discrimination, and more. Proactive measures are taken by the Company to address any breaches in these areas.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/ Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:-

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a percentage of female employees/workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- The Company has formed an Internal Complaints Committee under the POSH Act. Employees can raise their complaints with this committee and the committee further acts on it while maintaining complete confidentiality of the complainant until the committee arrives at a suitable verdict. The committee also organizes training and sensitization sessions for all the employees regularly in the form of 'induction workshops'.
- Whistle Blower complaints are anonymous in nature and presented to the Audit Committee of the Board during the quarterly reviews.

9. Do human rights requirements form part of your business agreements and contracts (Yes/No)

Yes, the human rights requirements form part of your business arrangements and contracts. The Company places significant emphasis on the need to protect the human rights of its employees and carries out regular assessments to ensure that these are upheld. This approach is in line with the Company's commitment to ethical and responsible business practices and reflects its belief that safeguarding human rights is a fundamental aspect of this.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company regularly reviews its business processes to detect any potential issues that could lead to human rights grievances or complaints. As this is an ongoing practice, no business process requires any amendments/modifications as the policies and processes that the Company adhere to the requirements of Human rights.

2. Details of the scope and coverage of any Human rights due- diligence conducted.

The Company performs internal assessments as part of its due-diligence process. The areas covered include child labour, forced labour, discrimination, harassment at workplace, work-life balance, training and education, environmental, occupational health and safety etc.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, Company outlets that are situated in malls are accessible to differently abled visitors. Retail stores are leased in shopping malls across the country that try to ensure access to differently abled employees and visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The vendors are obligated by contracts to adhere to the requirement
Discrimination at workplace	The vendors are obligated by contracts to adhere to the requirement
Child Labour	No assessment was conducted
Forced Labour/Involuntary Labour	The vendors are obligated by contracts to adhere to the requirement
Wages	The vendors are obligated by contracts to adhere to the requirement

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

### PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the Environment

#### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total electricity consumption (A)	4,211.21 GJ	3,580.98 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	490.23 GJ	444.79 GJ
<b>Total energy consumption (A+B+C)</b>	<b>4,701.44 GJ</b>	<b>4,025.77 GJ</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover in rupees)	-	-
<b>Energy intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an External agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>		
Total volume of water consumption (in kilolitres)		
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

The Company has its premises at leased locations. The water withdrawal is generally resorted through the invoices shared by the Mall Maintenance Agency with our various stores.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

4. Provide the following details related to water discharged:-

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharged by destination and level of treatment (in kilolitres)</b>			
(i) Into Surface water	m3	Nil	Nil
- No treatment	m3	Nil	Nil
- Without treatment – please specify level of treatment	m3	Nil	Nil
(ii) Into Groundwater	m3	Nil	Nil
- No treatment	m3	Nil	Nil
- Without treatment – please specify level of treatment	m3	Nil	Nil
(iii) Into Seawater	m3	Nil	Nil
- No treatment	m3	Nil	Nil
- Without treatment – please specify level of treatment	m3	Nil	Nil
(iv) Sent to third parties	m3	Nil	Nil
- No treatment	m3	Nil	Nil
- Without treatment – please specify level of treatment	m3	Nil	Nil
(v) Others	m3	Nil	Nil
- No treatment	m3	Nil	Nil
- Without treatment – please specify level of treatment	m3	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>m3</b>	<b>Nil</b>	<b>Nil</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide detail of its coverage and implementation.

No, Company stores are leased in shopping malls which reduces the total water consumption. Moreover, the wastewater is further treated by the mall management and property owners wherever possible.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	mg/m3	NA	NA
Sox	mg/m3	NA	NA
Particulate matter (PM)	mg/m3	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	mg/m3	NA	NA
Others – please Specify	PPM	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 1 and Scope 2 emissions per rupee of turnover		Nil	Nil
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		Nil	Nil

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an External agency? (Y/N) If yes, name of the external agency.

Not applicable

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Company's stores are leased properties in shopping malls. As of now, Company does not have any project related to reduction in GHG emissions, but the Company is in process of implementation.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)		The Company operates in Luxury Retail segment and therefore, the recyclable or reusable wastes are limited to corrugated boxes, bubble wraps and papers. Corrugated boxes find their further uses in the warehouses of the Company for the further storage purposes. The rest is sold as commodity to recyclers. Wherever possible, the Company asks the vendors to reduce bulky packaging on the products and also encourages the use of packaging material which is recyclable or reusable.
E-waste (B)	Nil	605.4
Bio-medical waste (C)		No other waste is generated as the Company operates as a Retail Company.
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>Nil</b>	<b>605.4</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company primarily operates out of malls and all the waste management is being managed by the entity responsible for the maintenance operations of the Malls. Considering the nature of business of the Company, there is no hazardous waste that was generated during its operations.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance is being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, since the Company is not engaged in manufacturing and does not produce products, the laws do not directly apply. However, at the store level, the Company ensures compliance with all relevant environmental regulations for waste disposal.

**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
<b>From non-renewable sources</b>		
Total electricity consumption (D)	4,211.21	3,580.98
Total fuel consumption (E)	Nil	Nil
Energy consumption through other sources (F)	490.23	444.79
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>4,701.44</b>	<b>4,025.77</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Provide the following details related to water discharged

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	N.A.	N.A.
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(ii) To Groundwater	N.A.	N.A.
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iii) To Seawater	N.A.	N.A.
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(iv) Sent to third parties	N.A.	N.A.
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
(v) Others	N.A.	N.A.
- No treatment	N.A.	N.A.
- With treatment – please specify level of treatment	N.A.	N.A.
<b>Total water discharged (in kilolitres)</b>	<b>N.A.</b>	<b>N.A.</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge /waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Waste Recycling	The recyclable or reusable wastes are limited to corrugated boxes, bubble wraps and papers. Corrugated boxes find their further uses in the warehouses of the Company for the further storage purposes. The rest is sold as commodity to recyclers. Wherever possible the Company asks the vendors to reduce bulky packaging on the products and also encourages the use of packaging material which is recyclable or reusable Utilised environmentally friendly alternatives in store planning and maintenance practices.	Reduced waste which results in economising of costs to a large extent.
2	Energy Efficient	Implemented high lumen LED lighting across all locations	This led to a decrease in electricity consumption, resulting in cost savings.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

By giving our consumers both physical and digital shopping experiences through our Omnichannel model, we want to remain relevant at all the touchpoints of a consumer’s journey. Our Omnichannel content offers endless aisle and our loyalty program have helped us to offer our consumers a comprehensive buying experience across online and offline platforms. The owners of some of the luxury watch brands do not permit their watches to be sold online, but our digital platform features information about such watches online as part of its marketing strategy. Our website is custom-built with what we believe to be content rich, high- quality images and videos. Through our team responsible for e-commerce and web design, our Company has created landing pages for each of its luxury brands, with distinctive brand imagery. Major risks, including continuity risks, are regularly reviewed.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company strives that its value chain operates without any negative environmental impacts. To ensure this, the Company conduct regular assessments to ensure environmentally conscious practices are being implemented. The Company also suggests corrective measures if needed. The downstream value chain will be governed by the ESG Risk Framework (the formulation for which is underway), which sets the minimum global standards that the Company must meet regarding environmental and social risk management. This framework helps to avoid, reduce, and responsibly mitigate potential business and reputational risks, as well as risks to people and the planet.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

None

**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.
  - (1) One
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/National)
1	Retailers Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	No issues reported	

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

S.No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if Available
1	Yes	Cooperation with all Government bodies and policy makers towards implementation of laws, rules and regulations, adherence of all laws, and encouraging all our stakeholders to adhere to all laws, rules and providing constructive feedback and views towards polices keeping in mind the larger public interest.	Yes	Annually	<a href="https://www.ethoswatches.com/investor-information/corporate">https://www.ethoswatches.com/investor-information/corporate</a>

**PRINCIPLE 8**

**Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Nil	Nil	Nil	Nil	Nil	Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil	Nil	Nil	Nil	Nil	Nil	Nil

3. Describe the mechanisms to receive and redress grievances of the community.

Ethos Limited has multiple modes of communication where a community can raise their concerns and present their needs and requirements and address their concerns through respective grievance redressal mechanism of the Company. Any person can approach Ethos Limited to register any concerns and register any complaint by way of the following means:

- By phone on Customer Care
- Channels mentioned in the Investor Grievance Redressal Policy which is available at the website of the Company
- By social media
- Facebook
- Instagram

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Nil	Nil
Sourced directly from within the district and neighbouring districts	Nil	Nil

**Note :** As the Company is in the business of retail of premium and luxury watches, all our products are imported and hence not applicable.

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in the designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (In INR)
1	Haryana, Karnataka and Rajasthan	Bhiwani, Jind (Haryana) Alwar, Sikar, Jaipur (Rajasthan) Tumkur, Chikmagalur (Karnataka)	37,17,900
2	Andhra Pradesh, Karnataka	Ananthapuramu, Kolar	41,25,000

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. However, our Company works with MSME vendors.

- (b) From which marginalized /vulnerable groups do you procure?

MSME vendors

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil	Nil	Nil	Nil	Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects:

S.No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Million Tree Project (Through Sankalp Taru Foundation)	87 (Eighty-seven)	100 %
2	Million Tree Project (Through SayTrees Environmental Trust)	98 (Ninety-eight)	100 %

**PRINCIPLE 9**

**Businesses should engage with and provide value to their consumers in a responsible manner**

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

There are various mechanisms to receive and respond to consumer complaints and feedback on the website:-

1. There is a direct Customer care number on the home page
2. Online order helplines are there on home page
3. There is a dedicated Help Centre page which has all the helpline numbers and email addresses for customer feedback , grievances and complaints
4. There is a dedicated Repair and Service page providing relevant options to the customers to request a call back or get in touch . Complaints received via social media are shared with [complaints@ethoswatches.com](mailto:complaints@ethoswatches.com) internally and are addressed in a timely manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Type	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

Benefits	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 Previous Financial Year		Remarks
	Received during the year	Pending resolutions at the end of year		Received during the year	Pending resolutions at the end of year	
	Data privacy	Nil		Nil	Nil	
Advertising	Nil	Nil	Nil	Nil	Nil	
Cyber-security	Nil	Nil	Nil	Nil	Nil	
Delivery of Essential services	Nil	Nil	Nil	Nil	Nil	
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	
Others	Nil	Nil	Nil	Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data Privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a privacy policy in place for the online consumers which can be accessed at <https://www.ethoswatches.com/terms-and-conditions/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers, re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There have not been any such instances during the year under review.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- Ethos Watches Website
- Ethos Watches Instagram Handle
- Ethos Watches Facebook Handle
- Ethos Watch Boutiques YouTube Channel
- Ethos Watch Boutiques LinkedIn

Sold on:

- Tata Cliq
- Ajio
- Nykaa Fashion
- Amazon India
- Myntra

2. Steps taken to inform and educate consumers about safe and responsible usage of Products and/or services.

The Company utilises their communication channels with customers about the safe and responsible usage of their products, this includes during the time of sale if the product poses any risks.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company maintains a regular catalogue of all products offered on their website and the physical stores. This catalogue is updated regularly with the products in demand being highlighted. The Company also offers personalised updates to customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, it does. Over and above the product information that is mandatory, we display the below information for enhancing consumer experience.

1. Product attributes
2. Videos
3. Descriptions
4. Images

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No such surveys were conducted.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact  
Nil
- b. Percentage of data breaches involving personally identifiable information of customers  
Nil

## Annexure - II

# Management Discussion and Analysis

### Global economic overview<sup>1</sup>

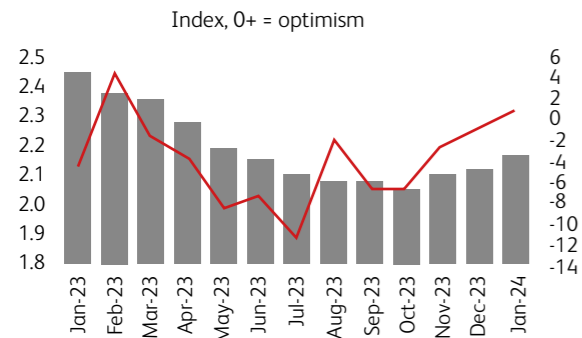
The global economy demonstrated resilience as it navigated the various headwinds that marked the year under review. As persistent geopolitical turmoil resulted in supply chain disruptions, fluctuations in commodity prices and soaring inflation, central banks of major economies resorted to calibrated interest hikes. While the monetary policies weighed upon the global economic growth, it successfully prevented an economic downturn.

In CY 2023, the global economy grew at a rate of 3.2%, with the advanced economies registering a growth rate of 1.6% and the emerging market and developing economies (EMDEs) witnessed a growth rate of 4.3%.

On the other hand, global inflation fell from its CY 2022 peak to 6.8% in the reporting year, reflecting a steady recovery from the relative price shocks. This decline can be primarily attributed to the effective monetary policies, resilience of the economies worldwide and the increase in global energy supply.<sup>2</sup>

### Global growth

■ Consensus forecast — Sentix expectations (RHS)



Source: The World Bank Global Monthly February 2024.

### Outlook

The global economy is expected to sustain its growth rate at 3.2% in both CY 2024 and CY 2025. While the advanced economies are expected to increase from 1.6% in CY 2023 to 1.7% in CY 2024, EMDEs are predicted to remain steady at 4.2% in both CY 2024 and CY 2025.

Looking forward, the global inflation level is expected to fall to 5.9% in CY 2024. With the decline in global inflation, economic activities are anticipated to steadily gain momentum. Furthermore, inflation is projected to decline faster in the advanced economies as compared to the EMDEs.

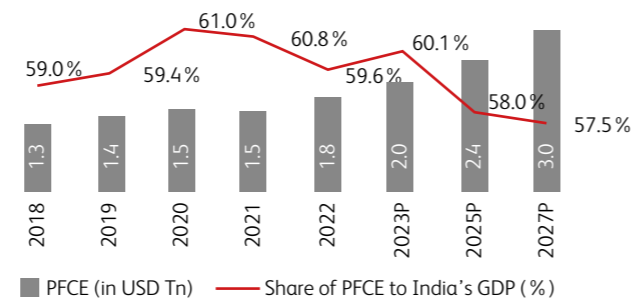
### Indian economic overview

The Indian economy is one of the fastest-growing economies in the world, significantly contributing to the global GDP. The country's economic growth can be primarily attributed to the prompt actions undertaken by the Reserve Bank of India (RBI) along with the effective policies introduced by the Indian Government. A range of fiscal, and monetary policies contributed to India's economic recovery while cushioning the economy from the global headwinds.

In FY 2024, the level of inflation was anchored at 5.4%<sup>3</sup>, propelling private consumption among individuals. The growth in private consumption was further buoyed by increased per capita income and a growing middle class. Additionally, the year under review also observed a visible growth in the demand for luxury and premium goods and services.<sup>4</sup>

**The GDP of the Indian economy has grown by 8.2% in FY 2024.**

### India's Total Private Final Consumption Expenditure (Current Prices USD Tn) (FY) and Share of Private Final Consumption Expenditure to GDP (%) (FY)



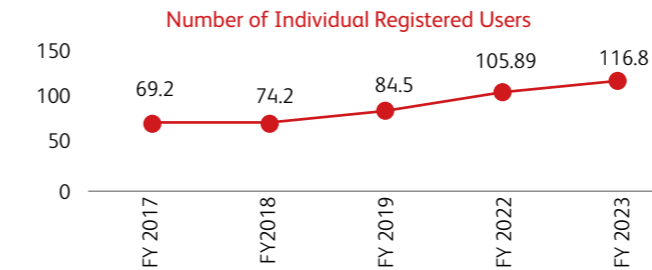
Source: Industry report on premium & luxury watch retail in India 2023

The Current Account Deficit (CAD) of the country is also improving, indicating the strong macroeconomic fundamentals of the country. In addition to this, the decline in CAD also signifies that the Indian Rupee (INR) is gaining strength in comparison to other currencies. In the past, the value of INR had depreciated against the US dollar, however in FY 2024 the value of INR against USD was 83<sup>5</sup>. India's robust service exports have caused the country's current account deficit to shrink to 1% of GDP in the first half of FY 2024.

The Indian economy's steady growth over the years has also significantly developed India's luxury market. Traditionally, Indian consumers were

known for their price sensitivity; however, a paradigm shift in consumer behaviour has been observed post-pandemic. Indian consumers are now increasingly indulging in luxury purchases. This indulgence can be attributed to the growing number of Ultra High Net Worth Individuals (UHNWIs), the introduction of entry-level products by global brands, the increasing popularity of e-commerce platforms and rising demand from Tier II and Tier III cities.

### Number of Individual Registered Users with IT department in India (In Mn.) and Number of ITRs filed for respective years in India (In Mn.)



Source: Industry report on premium & luxury watch retail in India 2023

### Outlook

The Indian economy is anticipated to maintain its positive growth trajectory in the forthcoming years, facilitated by a steady decline in the inflation level. It is expected that the Indian economy will grow by 6.6% in FY 2025<sup>6</sup> and will be valued at USD 5 trillion by FY 2027<sup>7</sup>. It is also expected that the Indian economy will become the third-largest economy in the world.

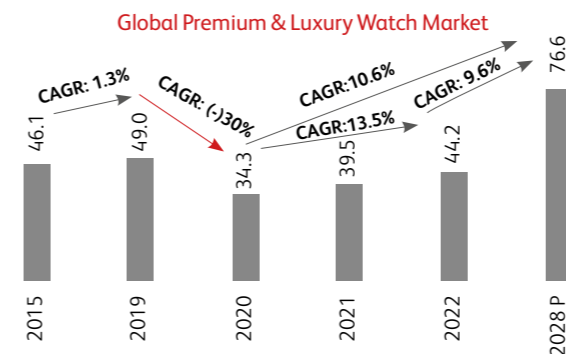
The Indian government is introducing several initiatives to promote growth across several sectors of the economy. Robust sectorial performance and increased investment are expected to propel the growth of the Indian economy in the upcoming years.

### Industry outlook

#### Global Premium and Luxury Watch

The global premium watch market has shown higher growth potential in developing countries like India in comparison to advanced economies. With a surge in the purchasing power of consumers in developing economies, the global luxury watch market is expected to continue to exhibit good growth over 2025-2030 grow at a CAGR of 9.6% between 2022 and 2028.

#### Global Luxury Watch Market CY 2015-CY 2028P (In USD Bn.)



Source: Industry report on premium & luxury watch retail in India 2023

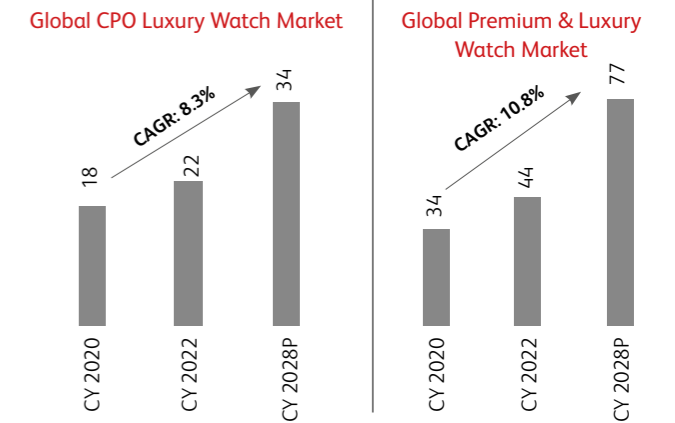
<sup>6</sup>Policy and Economic Report. Oil and Gas Market. May 2024

<sup>7</sup><https://www.livemint.com/market/stock-market-news/india-to-become-3rd-largest-economy-by-2027-market-cap-to-hit-10-trn-by-2030-jefferies-11708574245427.html>

### Growing market for pre-owned watches

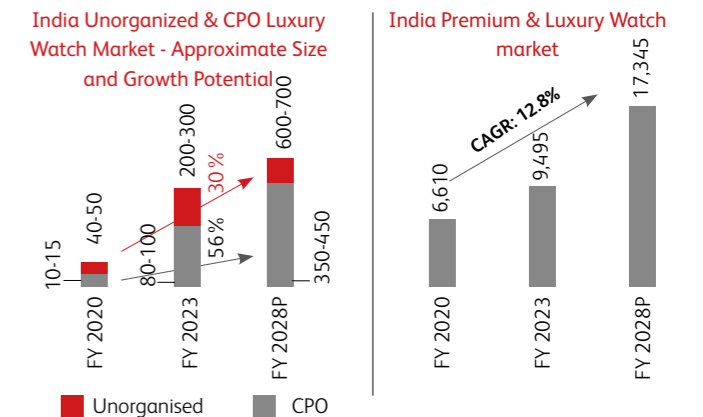
The general negative perception of purchasing pre-owned watches has gradually changed over time. With a growing inclination to own super-luxury pre-owned watches at cost-effective prices, the global market for pre-owned watches is expected to grow at a CAGR of 8% between 2020 and 2028. This growth is likely to create an opportunity for various brands and retailers to enter the market. The increasing demand for sustainability, the rapid growth of e-commerce and the rising influence of social media platforms have bolstered the demand for pre-owned watches.

### Size of Global Certified Pre-Owned Luxury Watch Market & Overall Global Premium & Luxury watch market (in USD Bn.)



Source: Industry report on premium & luxury watch retail in India 2023

### Size of CPO Luxury watch market in India and Overall Premium & Luxury watch market in India (in INR Cr)



Source: Industry report on premium & luxury watch retail in India 2023

### The luxury segment embraces the circular economy

In recent years, luxury and fashion brands have come under scrutiny for their impact on the environment. Initially, luxury brands were hesitant about reselling, fearing reselling could undermine their exclusivity. However, with an increasing focus on sustainability, there has been a shift in this belief. Now, brands are allowing reselling of their pre-owned products. The brands are prioritising sustainability and fostering a circular economy. Reselling has emerged as a popular practice as additional production costs can be easily avoided and brands are also observing an increase in sales as more people are willing to purchase pre-owned products.

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

<sup>2</sup><https://thedocs.worldbank.org/en/doc/abf6fab46b08d9edfcf1187e6a3e108e-0350012023/related/Global-Monthly-Feb2024.pdf>

<sup>3</sup><https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240208113526&msec=190>

<sup>4</sup><https://pib.gov.in/PressReleaseDetail.aspx?PRID=2022323>

<sup>5</sup><https://www.bloomberg.com/quote/USDINR:CUR>

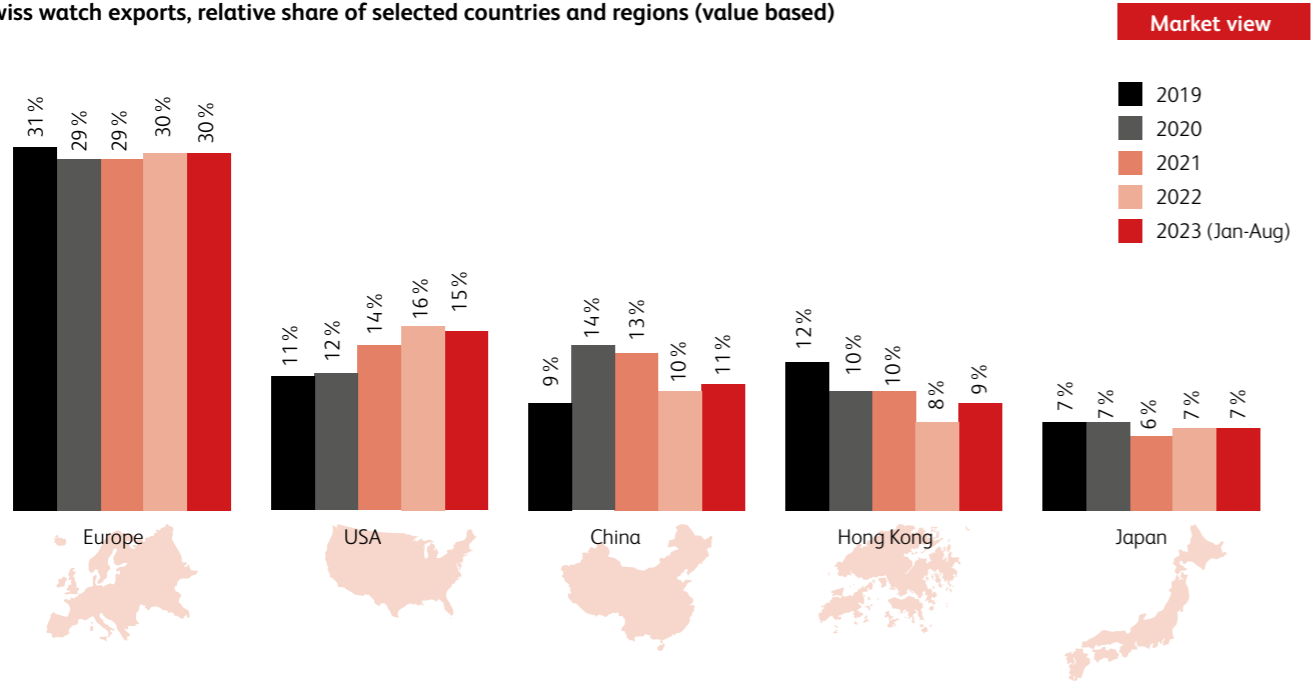


**The Swiss watch market**

The global supply chain has faced numerous disruptions in 2023. This caused the Swiss franc to appreciate against other major currencies, leading to Swiss watches becoming expensive. Despite the challenges, the export of Swiss watches increased by 10.2% in volume and 9.2% in value.

In recent years, the preference for Swiss watches has grown in India. With the decrease in the tariff rate for imports that is expected in future, the import of Swiss watches is expected to be further supported. Additionally, the rise in the per capita income of Indians is expected to favour the Swiss watch market in the coming years. The export value of Swiss watches to India was CHF 133.7 million between January and August 2023 but by 2028 it is expected that the export sales of Swiss watches will exceed CHF 400 million in India.<sup>8</sup>

**Swiss watch exports, relative share of selected countries and regions (value based)**



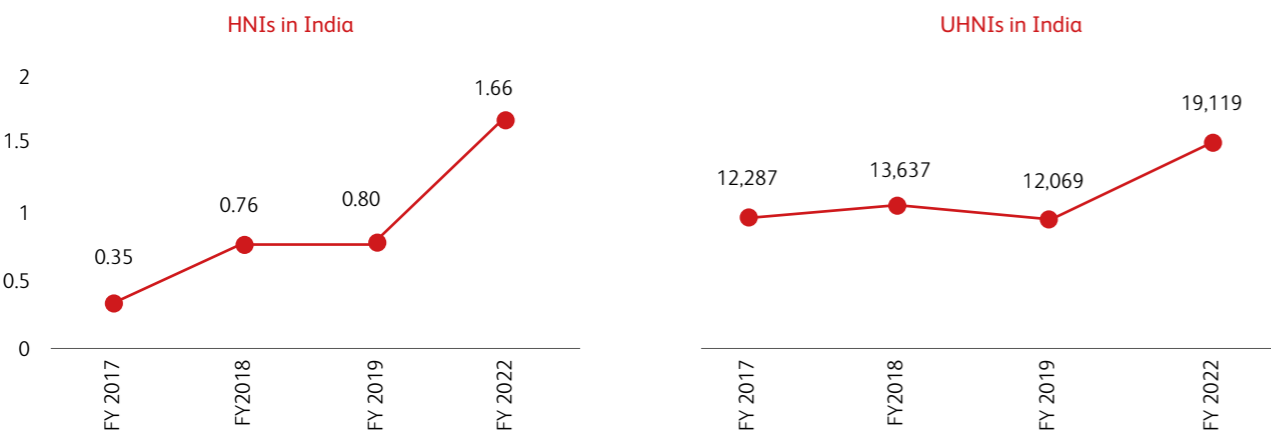
Source: The Deloitte Swiss Watch Industry Study 2023

**Preference for luxury products in India**

Recent times have witnessed a change in India's demand and preference patterns. With an increasing demand for quality, luxury products are observing a surge in sales. Additionally, the economic growth in India is contributing towards an improved per capita income, and increasing consumption levels. More people are shifting towards luxury products to explore the charm of opulence.

India is home to Asia's fastest-growing luxury market. India's strong economic growth has increased the number of High-net-worth individuals (HNWI) and Ultra-high-net-worth individuals (UHNWIs). This has further facilitated the demand for luxury products, especially watches.

**Number of HNIs in India(in Millions) and Number of UHNWIs in India**



source: Industry report on premium & luxury watch retail in India 2023

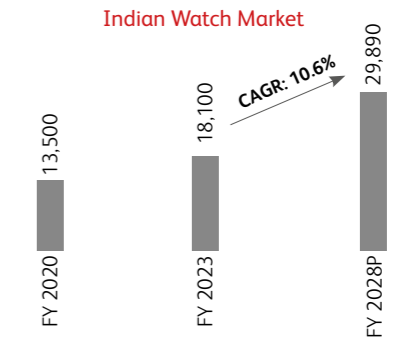
<sup>8</sup>[https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-deloitte-swiss-watch-industry-study-2023\\_EN.pdf](https://www2.deloitte.com/content/dam/Deloitte/ch/Documents/consumer-business/ch-deloitte-swiss-watch-industry-study-2023_EN.pdf)

**India's watch industry**

With rising levels of disposable income and growing fashion consciousness among consumers, the Indian watch market is experiencing significant growth. Indians gravitate towards products that provide them value for their money.

With traditional watches available at different price ranges, the market can cater to different genders and age groups. The industry is expected to grow and reach INR 29,890 Cr by FY 2028. Moreover, with several emerging brands entering the market, a rise in competition is expected.

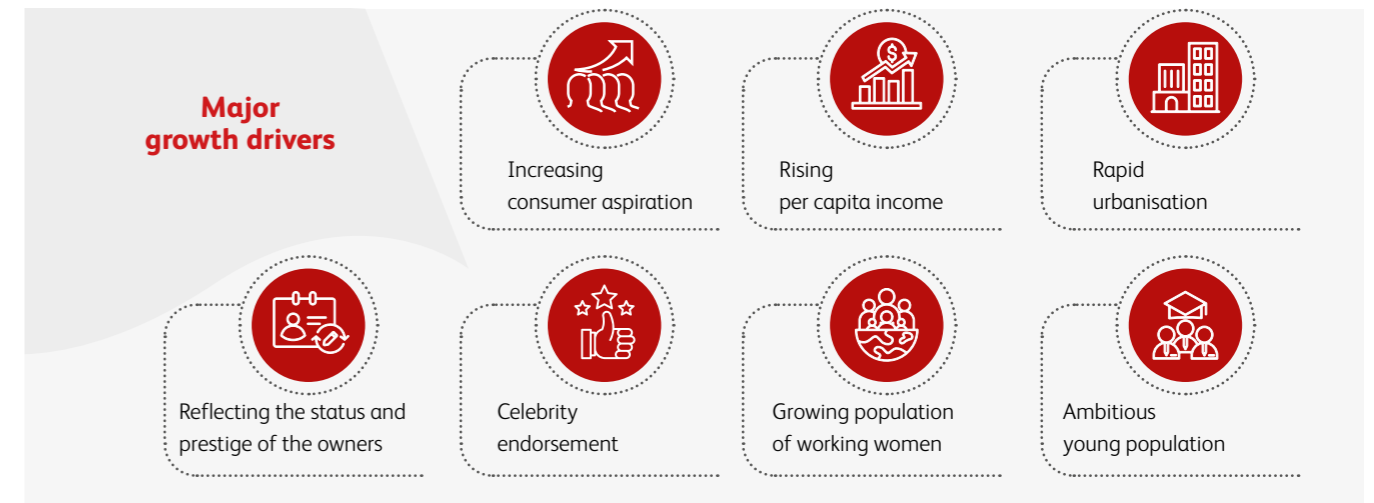
**Indian Watch Market FY 2020, FY 2023 & FY 2028P (In INR crores)**



Source: Industry report on premium & luxury watch retail in India 2023

**Consumer's inclination towards the luxury watch segment**

The luxury watch market comprises premium, luxury, bridge to luxury and high luxury segments. The High luxury and luxury brand's performance is strong and they are expected to reach INR 1,610 Cr and INR 2,385 Cr in FY 2028. With increasing fashion consciousness among Indians, a persistent market demand for luxury watches is being observed.



**Company Overview**

Commencing its journey in 2003, Ethos Limited (Ethos) has established its position as one of India's largest authorised luxury and premium watch retailers. Since 2019, the Company has also undertaken retail of certified pre-owned luxury watches.

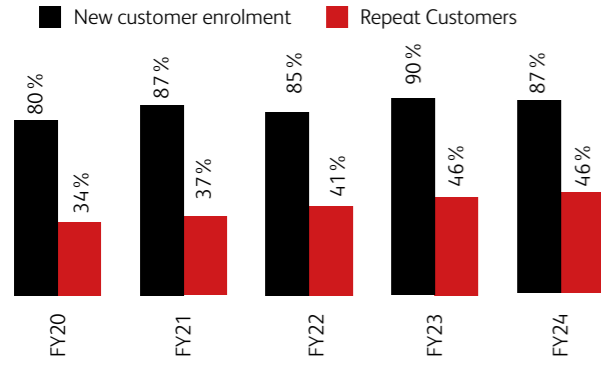
Ethos delivers a content-led luxury retail experience to its customers through its online and physical presence. The Company provides customers with a wide range of premium, bridge luxury, luxury and high-luxury watches. The Company also provides service through its websites and social media platforms, providing an omnichannel

experience to the customers. The Company is expanding its presence in various business divisions, especially in jewellery and luxury luggage. The Company in FY 2023 has signed a partnership with Rimowa to extend its presence in the luxury luggage division.

**The omnichannel approach**

Ethos has a presence in 24 cities in India with 60+ stores. It also offers products through its websites and social media platforms.

**'Club Echo'- Ethos Loyalty programme**



Source: Corporate ppt -Q4

1. dynamic incentive scheme for repeating customer
2. offers a delightful and rewarding shopping experience
3. captures key customer information and buying trends
4. designing appropriate reward and communication strategy
5. greater customer satisfaction and commitment
6. reducing service cost and price sensitivity.

**328000+**

Registered HNI customers

**60+**

Overall Brand Portfolio

**46+**

Exclusive Brand Portfolio

**60+**

Physical retail stores

Present in

**24**

Cities in India

**Ethos's offerings**

**1. First mover advantage**

Ethos is India's only organised player which can certify, buy and restore pre-owned watches.

**2. Scalable business model**

It has a large omnichannel outreach across boutiques in India. This allows Ethos to transact with more customers and provide a large selection of pre-owned watches.

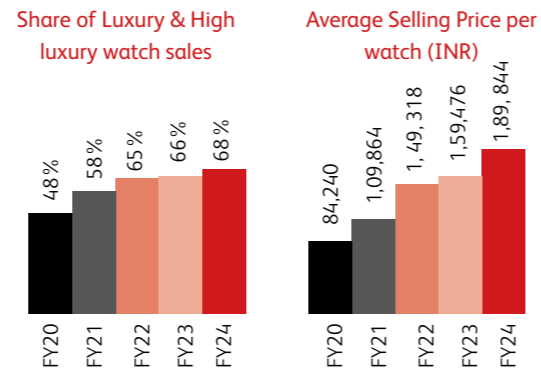
**3. Best-in-class service centres**

Ethos' stellar service centres enable the Company to provide services for all inconveniences related to watches and also provide a warranty offer for 2 years

**4. Lounges**

Ethos provides special lounges dedicated to pre-owned products to add credibility and experience.

**Demand for our products is directly proportional to the number of HNIs**

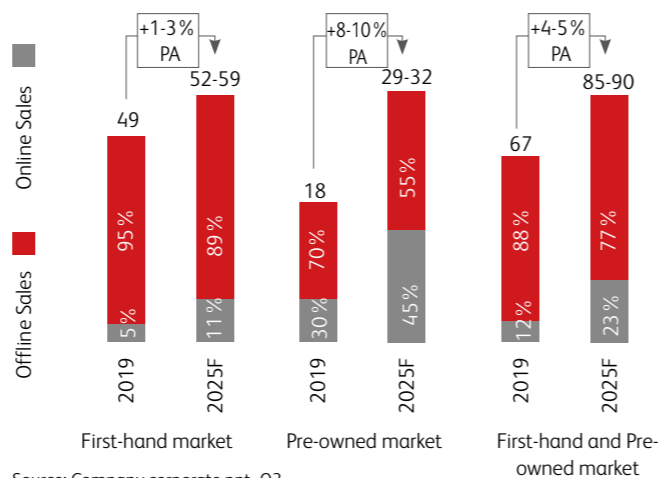


Source: Corporate presentation Q4

**Key strengths**

- Have an experienced and committed management team
- Deep understanding of Digital and Omnichannel commerce
- Maintaining a leadership position in the attractive luxury watch market.
- Investment in in-store network and strategic location of stores
- Providing attractive in-store experience
- Leading position in the certified pre-owned watch market
- Includes 60+ premium and luxury brands and 46+ exclusive brands
- Strong and long-term relationships with luxury watch brands and other luxury brands.

**Certified pre-owned watches**



Source: Company corporate ppt -Q3

**Omnichannel presence**

Retail businesses must adapt to the evolving market dynamics to stay ahead of the curve. Taking this into consideration, the Company has implemented an omnichannel strategy in its operations. This has enabled the Company to provide a seamless shopping experience for its clients across all channels, including stores and online. The Company's website, www.ethoswatches.com, is one of the largest websites for premium and luxury watches in India.

**Market expansion in FY 2024**

In FY 2024, the Company has undertaken an expansion strategy both in terms of several stores and venturing into new market segments. Ethos has opened 10 new stores during the year under review, with its first boutique opened in Bhopal. The store houses several globally recognised premium brands. The boutique, located at crucial junctures of the City, enables the Company to capitalise on the opportunity for its further business growth.

Furthermore, the Company has also ventured into the luxury luggage segment. The Company has opened the first boutique for Rimowa at the Jio World Plaza in Mumbai. The location of the Rimowa boutique is strategically chosen to help the Company meet the demand of high-end consumers and mark its presence as a luxury brand.

**Comprehensive after-sales services**

The Company believes in providing customer services that go beyond business profitability. The technologically advanced service centre of the Company, 'Ethos Watch Care', located in Delhi, provides extensive after-sales services to their clients. These services include repairs, restoration, ultrasonic cleaning, engraving and adjustments of watches. Ethos not only incorporates highly advanced technology but also imports sophisticated equipment from Switzerland to ensure the best-in-class services are provided to the customers. The Company ensures skilled personnel provide the services to the clients. The Company recruits technicians who have expertise and extensive working experience in major international and luxury watch brands.

**The first-ever service centre for RIMOWA, which is a premium travel accessory brand, was started by Ethos in FY2023.**

**Data and information management**

The digital platform has always played a crucial role in the growth of the Company. The Company uses both open and licenced technology. Navision, a licensed third-party information technology platform, helps the Company with its financial reporting, inventory management, order fulfilment and merchandising.

The Company's information technology systems include retail space planning and traffic, CRM, warehouse management, finance accounting, master data management, inventory, omnichannel retail, insurance, repair systems, business intelligence and other aspects of the Company's operations. The digital assets and CRM are shared across the sales channels and processes. The Company's specialised team relentlessly contributes to enhancing the shopping experience of its clients. In addition to this, the Company is upgrading its current Enterprise Resource Planning (ERP) to scale its new requirements for growing the business and for auditing requirements.

**Ethos Mobile App**

The Company has developed an app to enhance user engagement and streamline the shopping experience.

The mobile app of Ethos provides a virtual luxury experience to the users; just on the click of a button, consumers can have access to various features such as a virtual 'TRY IT ON', a chatbot, push and in-app notifications and integrated Club Ethos. In addition to this, the Ethos Mobile App also provides descriptions of the boutiques. The products are presented through videos, which further helps the Company to enhance their user engagement. Moreover, the app provides a feature where the users can ask their queries and their concerns will be immediately addressed by the Company.

**Strategic levers to ensure long-term business growth**

**Expanding physical store network and increasing market share**

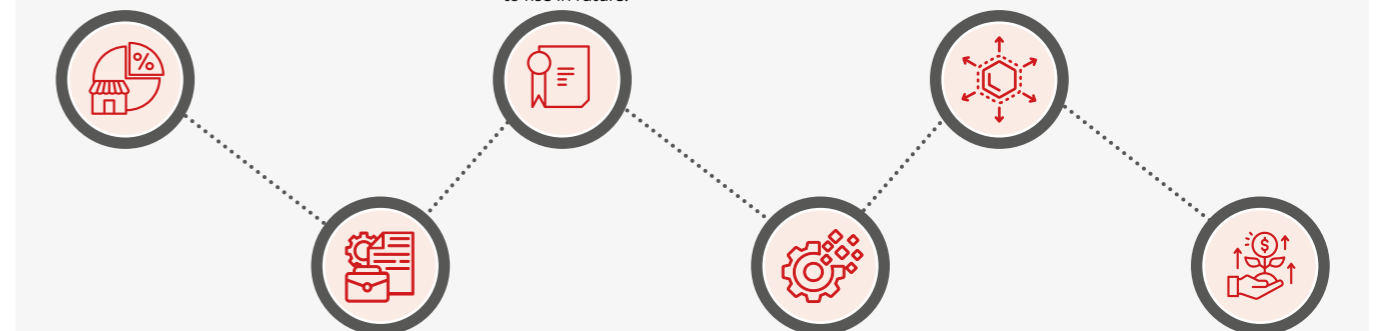
The Company is expecting the expansion of over 25 boutiques in the coming year. Additionally, in August the Company will launch globally.

**Growing certified pre-owned luxury watch retail business**

The Company aspires to improve and grow its pre-owned luxury watch segment. This will prove to be a lucrative opportunity for the Company as the pre-owned luxury watch market is expected to rise in future.

**Expanding into other luxury verticals**

The Company is leveraging its luxury watch retail business to enhance its access to diverse consumers. The Company is also expanding into other luxury verticals including jewellery and luggage.



**Increasing watch brand portfolio**

The desire of the Company to stay ahead of other players encouraged the Company to collaborate with top watch brands that aim to enter the Indian markets.

**Leveraging technology to gather data and drive sales**

The Company considers its digital platforms as a critical component of its business strategy. The Company is planning to build an app, slowly, to provide next-level service to the customers.

**Investing in the brand**

The Company ensures that consumers have a great retail experience. The Company invests in building Ethos as a brand to ensure the customers have infinite trust in the brand.

**Financial review**

Financial instruments by category and fair values	Standalone for the year ended		Consolidated for the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Turnover (Including other Income) (Rs. in lakhs)	1,02,009.36	80,373.04	1,02,260.39	80,309.41
Earnings before Interest, tax, depreciation and amortisation expenses (EBITDA)	17,261.01	12,842.84	17,533.16	12,897.12
Profit before tax	10,857.95	7,976.60	11,131.21	8,067.65
Profit after tax	8,129.21	5,979.60	8,329.46	6,029.82
Earning Per Share (basic) (Rs.)	34.14	26.34	34.98	26.56
Earning Per Share (diluted) (Rs.)	34.14	26.34	34.98	26.56

**Details of significant ratio changes**

Standalone	As of March 31, 2024	As of March 31, 2023	Increase/decrease (%)
Interest Coverage Ratio	7.80	6.64	17.47 %
Current Ratio	4.98	4.22	17.81 %
Debt Equity Ratio	0.16	0.19	-13.60 %
Debtors Turnover (Number of days)	3.98	2.86	39.16
Net Profit Margin (%)	8.15 %	7.59 %	7.33 %
Return on Net Worth (%)	10.74 %	13.86 %	-22.48 %
Return on Capital Employed (%)	12.13 %	12.49 %	-2.87 %

Consolidated	As of March 31, 2024	As of March 31, 2023	Increase/decrease (%)
Interest Coverage Ratio	7.95	6.70	18.66 %
Current Ratio	5.06	4.27	18.50 %
Debt Equity Ratio	0.16	0.19	-13.60 %
Debtors Turnover (Number of days)	3.98	2.86	39.16
Net Profit Margin (%)	8.34 %	7.65 %	9.04 %
Return on Net Worth (%)	10.99 %	13.97 %	-21.33 %
Return on Capital Employed (%)	12.73 %	12.61 %	0.95 %

**Human resource**

Ethos recognises the value of a skilled workforce. The Company’s human resource policy focuses on onboarding skilled and qualified workforce. With regular training and development programmes, the Company effectively contributes to their career growth. Ethos recognises and rewards its employees; events are organised to acknowledge and honour their performances.






The employees’ performances are regularly supervised and accordingly, constructive feedback is provided to improve their performance. Presently the Company has 617 full-time employees, among which 111 are women. This highlights that women employees account for 18 % of the entire employee strength of the Company.

In addition to this, the Company ensures the safety and security of its people by providing medical and accidental insurance for its staff. Also, the Company provides regular wellness and physical health check-ups.

**Risk management**

The Board of Directors of Ethos timely reviews the business risk of the Company. Along with this the Board of Directors also implements appropriate initiatives to mitigate business risk at the earliest. The Senior Leadership Team, led by the Chairman & Managing Director and Managing Director & CEO, is responsible for implementing mitigation measures to manage the risks. Also, the Company has implemented a Risk Management Committee which oversees and reviews the business risks of the Company from time to time.

Risk	Risk description	Mitigation
 <b>Market risk</b>	The dynamism in consumer demand is shifting the purchasing pattern. The Company needs to strategically maintain an inventory, based on a thorough understanding of the forecasted customer preference.	The Company ensures meeting the consumer demand by maintaining a regular interaction with the brands. Both personal and e-meetings are conducted by the team of Ethos. This helps the Company to be aware of the new launches, and purchase history and also ensures efficient availability of products in all its stores.

Risk	Risk description	Mitigation
 <b>Expansion risk</b>	The Company can face difficulties upon entering markets that do not have proper demand. Therefore, penetrating Tier II and Tier III cities can prove to be a risk, as there may be limited customers who would purchase premium and luxury watches.	Ethos ensures the Company has a detailed understanding of the market. Additionally, the Company’s online presence enables the Company to assess the behaviour of the consumers and estimate the future market opportunities for the premium products. Moreover, location mapping is done for online consumers as well through deriving insights from data on online demand and searches.
 <b>Regulatory risk</b>	Delayed regulatory approvals for license registration or store location, and lack of availability of commercial space can become a risk for the Company’s growth and operations.	Ethos’ legacy of providing a diversified portfolio of premium products makes the Company a preferred retail partner for most of the malls. This ensures the Company has ample time to complete all the approval processes and there are no delays faced by the Company.
 <b>Procurement risk</b>	The Company needs to ensure an effective product procurement process to effectively serve its clientele, otherwise, this can hamper the authenticity and brand value.	The Company integrates technology to ensure effective procurement practices. The Company considers stocking top-selling products in the market and takes into account brands’ recommendations on new products when procuring stocks. Additionally, the Company periodically reviews and makes necessary changes to maintain effective procurement practices.
 <b>Logistic risk</b>	Maintaining an optimum inventory level is vital for the Company, otherwise, the Company will fail to meet the client’s specific requirements.	The Company maintains an inventory by adopting advanced technology. Approaches like data analysis of stock turn, locational and zonal preferences, and selling patterns are adopted by the Company to maintain adequate stock in each store and mitigate the risk posed by supply chain disruptions.
 <b>Human resource risk</b>	The Company needs to retain its skilled and experienced workforce who have an extensive knowledge of luxury watches and can assist the consumers throughout their purchasing experience.	The Company uses robust hiring programmes and provides proper training practices to ensure retaining and enhancing the skills and expertise of its employees. Post-hiring, the employees go through robust internal and external training modules.

**Internal control systems and their adequacy**

The Company has implemented robust internal control systems and structured internal auditing to safeguard its assets and ensure the accuracy and reliability of accounting and other operational data. The internal audit team reports directly to the Audit Committee and Board of Directors.

As a fundamental operational control, the Company conducts monthly business reviews to assess unit performance and administer corrective actions as required. The Company also has a capital expenditure control mechanism in place to approve expenditures on new assets and projects, ensuring accountability for meeting project deadlines and adhering to budget limits.

Regular updates on the latest internal audit findings and the corrective measures taken in response to the internal audit reports are shared with the Audit Committee and Senior Management Team. The Audit Committee reviews the Company’s quarterly, semi-annual and annual financial statements, while the corporate governance section of the annual report provides comprehensive insights into the operational functioning of the Audit Committee and other Board committees.

The Company undertook a thorough evaluation of internal financial controls throughout the year. The results were satisfactory and any improvement suggestions were implemented. Policy guidelines and Standard Operating Procedures (SOPs) are adjusted as required to meet corporate demands.

**Disclaimer**

Certain statements in the MDA section about prospects may be forward-looking statements that include several underlying known and unknown risks and uncertainties that might cause actual results to differ considerably. In addition to the aforementioned macroenvironmental developments, the Company and the environment in which it operates face unprecedented, unpredictable and ever-changing dangers. The results of these assumptions, depending on accessible internal and external data, serve as the foundation for identifying specific facts and figures in the report. As the circumstances that support these assumptions change over time, so do the estimations on which they are based. These forward-looking statements only reflect the Company’s current objectives, beliefs, or expectations and each forward-looking statement is only as of the date made. The Company makes no responsibility to alter or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Annexure - III

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2024 {in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014}

#### 1. Brief outline on CSR policy of the Company

Ethos Limited ('Ethos' or 'Company') strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. In line with the commitment and according to the provisions of section 135 of the Companies Act, 2013 read with schedule and rules made thereunder, the Board of Directors of Ethos acting upon the recommendation of its Directors and the Corporate Social Responsibility Committee (the "Committee") through its meeting held on February 4, 2019, had approved, adopted and formulated 'Ethos Limited – Corporate Social Responsibility Policy'.

'Ethos Limited – Corporate Social Responsibility Policy' has been formulated to set guiding principles for carrying out CSR activities by the Company and also to set up the process of execution, implementation, and monitoring of the CSR activities to be undertaken by the Company.

#### 2. The composition of the CSR Committee

The CSR Committee of the Company consists of the following members:-

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Yashovardhan Saboo, Chairman and Managing Director	Chairman	1	1
2.	Mr. Mohaimin Altaf, Independent Director*	Member	1	1
3.	Mrs. Munisha Gandhi, Independent (Woman) Director	Member	1	1
4.	Mr. Pranav Shankar Saboo, Director and Chief Executive Officer	Member	1	1
5.	Mr. Manoj Gupta Executive Director**	Member	1	-
6.	Mr. Manoj Subramanian Director***	Member	1	-
7.	Mrs. Malvika Saboo	Special Invitee	1	-

\*Mr. Mohaimin Altaf retired as the Independent Director of the Company with effect from September 29, 2023 and ceased to be the member of CSR Committee.

\*\*Mr. Manoj Gupta was appointed as the member of the CSR Committee at the Board Meeting held on September 29, 2023. However, he resigned from the membership of the Committee on January 18, 2024.

\*\*\*Mr. Manoj Subramanian was appointed as the member of the CSR Committee at the Board Meeting held on January 18, 2024.

The CSR Committee of the Company was initially constituted at the Board meeting held on February 4, 2019. The said committee was further re-constituted vide board resolutions dated November 3, 2022; September 29, 2023 and January 18, 2024.

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board is <https://www.ethoswatches.com/investors-information>

#### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

-Not Applicable-

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		---Not applicable---	
<b>Total</b>			

#### 6. Average net profits of the Company as per section 135(5)

S. No.	Net Profit for the year ended on	Amount in ₹ lakhs)
1.	31 <sup>st</sup> March, 2023	8,038.48
2.	31 <sup>st</sup> March, 2022	3,060.66
3.	31 <sup>st</sup> March, 2021	649.94
4.	Total (1+2+3)	11,749.08
5.	Average Net Profits (11749.08/3)	3,916.36

#### 7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 78.33 lakhs

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a + 7b - 7c) : ₹ 78.33 lakhs

#### 8. (a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing projects)

(i) Details of CSR amount spent against ongoing projects for the financial year.

Sr. no.	Project ID	Item from the list of activities in Schedule VII	Name of the Project	Local area (Yes/No)	Location of the project		Project Duration (in months)	Amount spent in the financial year (in ₹ Lakhs)	Mode of implementation – Direct (Yes/No)	Mode of Implementation -Through Implementation Agency	
					State	District				Registration no.	Name
1.	FY31.03.2022_1	Protection of flora and fauna	Million Tree Project	No	Ananthapuramu, Andhra Pradesh	Kolar, Karnataka	1 year	41.25	Yes	CSR00000702	SayTrees Environmental Trust
2.	FY31.03.2022_1	Protection of flora and fauna	Million Tree Project	No	Bhiwani, Jind (Haryana)	Alwar, Sikar, Jaipur (Rajasthan)	1 year	37.18	Yes	CSR00000590	SankalpTaru Foundation
<b>Total</b>								<b>78.43</b>			

(ii) Details of CSR amount spent against other than ongoing projects for the financial year - Nil

(iii) (b) Amount spent in Administrative Overheads : Nil

(c) Amount spent on Impact Assessment, if applicable : Not applicable

(d) Total amount spent for the financial year (8a + 8b + 8c) : ₹ 78.43 lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the Financial Year (in ₹ lakhs)	Total amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under schedule VII as per second proviso of sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
78.43	Not applicable		Not applicable		

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	78.33
(ii)	Total amount spent for the Financial Year	78.43
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.10
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [ (iii) – (iv)]	0.10

8. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years :-

Sr. no.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ lacs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ lacs)	Amount spent in the Financial Year (in ₹ lacs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso of sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Year (in ₹ lacs)	Deficiency, if any
					Amount (in ₹ lacs)	Date of Transfer		
1.	FY 2022-23	0.00	0.00	0.00	0.00	N.A.	0.00	0.00
2.	FY 2021-22	5.54	0.00	5.54	0.00	N.A.	0.00	0.00
3.	FY 2020-21	0.00	0.00	0.00	0.00	N.A.	0.00	0.00

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. no.	Short particulars of the property or assets(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficial of the registered owner		
					Registration no., if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
--Not Applicable--							

10. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135.

Not Applicable

**Yashovardhan Saboo**  
Chairman and Managing Director  
Chairman of CSR Committee  
DIN-00012158

## Annexure IV

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

TO  
THE MEMBERS,  
**ETHOS LIMITED**  
PLOT NO. 3 SECTOR- III PARWANOO  
HIMACHAL PRADESH- 173220

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ETHOS LIMITED** (hereinafter referred to as "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **ETHOS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ETHOS LIMITED** ("the Company") for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (i) The Securities and Exchange Board of India (listing obligations & disclosure requirements) regulations, 2015

(vi) OTHER APPLICABLE ACTS:

- (a) The Finance Act, 2021
- (b) Prevention of Money Laundering Act, 2002 and the prevention of Money- Laundering (Amendment) Act 2012.
- (c) Payment of Wages Act, 1936, and rules made thereunder
- (d) The Minimum Wages Act, 1948, and rules made thereunder
- (e) Employee's State Insurance act, 1948, and rules made thereunder
- (f) The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
- (g) The Payment of Bonus Act, 1956, and rules made thereunder.
- (h) The Air (Prevention & Control of Pollution) Act 1981.
- (i) The Air (Prevention & Control of Pollution) Act, 1974.
- (j) The Industrial Disputes Act, 1947
- (k) The Payment of Gratuity Act, 1972
- (l) Indian Contract Act, 1872
- (m) The Apprentices Act, 1961

<ul style="list-style-type: none"> <li>(n) The Workmen's Compensation act, 1923</li> <li>(o) Sexual Harassment of Women at Work Place (Prevention, Prohibition &amp; Redressal) Act, 2013</li> <li>(p) The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)</li> <li>(q) The Environment (Protection) Act, 1986</li> <li>(r) Conservations of Foreign Exchange and Prevention of Smuggling Activities Act, 1974</li> <li>(s) The Indian Copyright Act, 1957</li> <li>(t) The Patents Act, 1970</li> <li>(u) The Trade Marks Act, 1999</li> <li>(v) Goods &amp; Service Tax Act, 2017</li> <li>(w) Other Miscellaneous Acts and rules as applicable</li> </ul>	<p>We have also examined compliance with the applicable clauses of the following:</p> <ul style="list-style-type: none"> <li>(i) Secretarial Standards issued by "The Institute of Company Secretaries of India"</li> <li>(ii) The listing agreement and Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited, (Bombay Stock Exchange)</li> </ul> <p><b>I further report that</b></p> <p>The Board of Directors of the Company is duly constituted. There have been changes in the composition of the Board of Directors that took place during the period under review in compliance with the provisions of the Act.</p> <p>Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.</p>
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**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The certification with respect to the other Statutory Acts as applicable apart from the Companies Act 2013 are based upon the confirmation received from various departmental heads of the Company regarding the compliances done under the Acts. I further report that the Company was listed on BSE Limited and National Stock Exchange of India Limited on 30th May, 2022. The listing compliances, regulations and rules are applicable to the Company with effect from 30<sup>th</sup> May, 2022.

This report is to be read with my letter of even date which is annexed as "Annexure A" and forms and integral part of this report.

PLACE: CHANDIGARH  
DATE: 16.05.2024

**(VISHAL ARORA)**  
COMPANY SECRETARY  
FCS NO. 4566 CP NO.3645  
UDIN: F004566F000384321  
PEER REVIEW NO.: 1219/2021

**"Annexure –A"**

TO

**THE MEMBERS, ETHOS LIMITED**  
PLOT NO. 3 SECTOR- III PARWANOO  
HIMACHAL PRADESH-173220

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Whenever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws. Rules, regulations, standards are the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

PLACE: CHANDIGARH  
DATE: 16.05.2024

**(VISHAL ARORA)**  
COMPANY SECRETARY  
FCS NO. 4566  
CP NO.3645  
UDIN: F004566F000384321  
PEER REVIEW NO.: 1219/2021

## Annexure – V

# Report on Corporate Governance

Pursuant to Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

### Company's philosophy on corporate governance

Ethos Limited is India's largest chain of luxury watch boutiques with a presence of 63 stores across 24 cities in India that retails over 50 premium luxury watch brands. The Company takes pride in helping our customers choose the most perfect of watches for themselves and their loved ones, while protecting them from rampant malpractices in India such as smuggled, fake, and refurbished watches passed off as new. The Company is continuously aiming and is committed to enhancing stakeholder value by application of best management practices, compliance of law in true letter and spirit and strict adherence to ethical standards for effective management to achieve the ultimate goal of sustainable development for all stakeholders. The improved governance structures and processes ensure quality decision-making, encourage effective succession planning for senior management and enhance the long-term prosperity of the Company. The Corporate Governance framework of the Company is based on an effective and independent Board of Directors. The separation of the supervisory role of the Board of Directors of the Company ("the Board") from the executive management team and constitution of the committees of the Board has been carried out as required under the applicable laws. A robust Corporate Governance framework has been implemented across the organization to sustain and improve, with each passing day, the Company's efficiency, effectiveness and social responsibility. The basic philosophy of Corporate Governance in the organization emphasizes on maintaining the highest levels of transparency, accountability, awareness and equity across all operational aspects. As a listed Company, our management accepts the inalienable right of the shareholders as true owners of the corporation and of their own role as trustees on behalf of its shareholders. The Company follows the requirement of the applicable regulations in respect of Corporate Governance in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI Listing Regulations'], Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 about the constitution of the Board and committees thereof and formulation and adoption of policies required therein. The Board functions independently through its various committees constituted to oversee specific operational areas. The Company's management provides the Board with detailed reports periodically. The Company believes that strong Corporate Governance is

indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high-quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure. Therefore, the Company takes all necessary steps to continue to comply with all the necessary Corporate Governance practices.

A report on the Company's compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Companies Act, 2013, as amended from time to time, is given hereunder:-

### Compliance with Corporate Governance guidelines

The Company complies with the requirements stipulated under Chapter IV read with Schedule V of the SEBI Listing Regulations, as amended from time to time with respect to Corporate Governance.

A report on the Company's compliance with the applicable provisions of Corporate Governance, is given hereunder.

#### I. Board of Directors

##### a) Composition of the Board

The Board is at the core of the Company's Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all its stakeholders. The Board critically evaluates Company's strategic direction, management policies and their effectiveness.

The Company believes that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance.

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive Directors and Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 read with rules made thereunder ('the Act') and Regulation 17 of SEBI Listing Regulations.

The Board of Directors comprised of 11 (Eleven) Directors as on March 31, 2024. The name and categories of Directors, DIN, the number of Directorships, and the list of Listed Entities where he/she is a director along with the category of their Directorships and other details are given hereunder:-

Name of the Director	DIN	Designation	Category
Mr. Yashovardhan Saboo	00012158	Chairman and Managing Director	Promoter, Executive, Chairman
Mr. Anil Khanna	00012232	Independent	Non-Executive
Mr. Sundeep Kumar	02750717	Independent	Non-Executive
Mr. Dilpreet Singh	03042448	Independent	Non-Executive
Mr. Manoj Gupta*	08700786	Whole time Director	Executive
Mr. Yogen Khosla	00203165	Independent	Non-Executive
Mr. Chitranjan Agarwal	00095715	Non-Independent	Non-Executive
Mrs. Munisha Gandhi	09684474	Independent (Woman) Director	Non-Executive
Mr. Charu Sharma	02276310	Independent	Non-Executive
Mr. Manoj Subramanian	10458966	Director	Executive
Mr. Pranav Shankar Saboo	03391925	Director and Chief Executive Officer	Promoter Group, Executive, Chief Executive Officer

Notes:-

- \* Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024 (from the close of business hours).
- Mr. Charu Sharma and Mr. Patrik Paul Hoffmann were appointed as Independent Directors of the Company through special resolutions passed by members on March 5, 2023.
- Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.
- Mr. Yashovardhan Saboo was reappointed as the Chairman and Managing Director for a term of 3 (three) years with effect from April 1, 2023 through a special resolution passed by members on May 19, 2023.
- Mr. Dilpreet Singh was reappointed as an Independent Director of the Company for a further term of 5 (five) years at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.
- Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.
- Mrs. Munisha Gandhi was appointed as an Independent (Woman) Director of the Company through special resolution passed by members on December 19, 2023.
- Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.
- Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as a Whole time Director with functional designation of Executive Director (KMP) of the Company with effect from April 1, 2024.
- Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

All the Directors of the Company are individuals of high integrity and possess relevant expertise and experience and none of them are related inter-se other than Mr. Yashovardhan Saboo and Mr. Pranav Shankar Saboo who are relatives.

##### b) Meetings and attendance

During the financial year ended on March 31, 2024, 8 (eight) Board meetings were held. The Board met atleast once in each calendar quarter and the gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. These meetings were all attended by Directors, Key Managerial Personnel and Special Invitees. The requisite quorum was present during all the Board meetings. Leave of absence was granted to the directors who requested for the same. The Directors were provided all the relevant information and details required for taking informed decisions at the Board meetings. The last Annual General Meeting (being 16<sup>th</sup> AGM) was held on September 29, 2023. The dates of meetings of the Board, attendance of the Directors thereat and last Annual General Meeting ("AGM") of the Company are as under:

Name of the Director	Meetings of the Board of Directors								Attendance at the Annual General Meeting September 29, 2023
	May 12, 2023	August 5, 2023	September 5, 2023	September 29, 2023	October 31, 2023	November 14, 2023	January 18, 2024	February 14, 2024	
Mr. Yashovardhan Saboo	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Mr. Anil Khanna	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Mr. Sundeep Kumar	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Mr. Dilpreet Singh	✓	✓	✓	✓	x	✓	✓	✓	Yes
Mr. Mohaimin Altaf	✓	✓	✓	—	—	—	—	—	No
Mr. Manoj Gupta	✓	✓	✓	✓	✓	✓	✓	✓	Yes
Mr. Patrik Paul Hoffmann	✓	✓	✓	✓	x	✓	—	—	No

Name of the Director	Meetings of the Board of Directors								
	May 12, 2023	August 5, 2023	September 5, 2023	September 29, 2023	October 31, 2023	November 14, 2023	January 18, 2024	February 14, 2024	Attendance at the Annual General meeting September 29, 2023
Mr. Chitranjan Agarwal	✓	✓	✓	✓	✗	✓	✓	✓	Yes
Mrs. Munisha Gandhi	✓	✓	✓	✓	✗	✓	✓	✓	Yes
Mr. Charu Sharma	✓	✓	✓	✓	✗	✗	✗	✗	No
Mr. Yogen Khosla	✓	✓	✓	✓	✓	✓	✓	✓	-
Mr. Manoj Subramanian	—	—	—	—	—	—	✓	✓	-
Mr. Pranav Shankar Saboo	—	—	—	—	—	—	✓	✓	-

Notes:-

- Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024 (from the close of business hours).
- Mr. Charu Sharma and Mr. Patrik Paul Hoffmann were appointed as Independent Directors of the Company through special resolutions passed by members on March 5, 2023.
- Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.
- Mr. Yashovardhan Saboo was reappointed as the Chairman and Managing Director for a term of 3 (three) years with effect from April 1, 2023 through a special resolution passed by members on May 19, 2023.
- Mr. Dilpreet Singh was reappointed as an Independent Director of the Company for a further term of 5 (five) years at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.
- Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.
- Mrs. Munisha Gandhi was appointed as an Independent (Woman) Director of the Company through special resolution passed by members on December 19, 2023.
- Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.

- Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as a Whole time Director with functional designation of Executive Director (KMP) of the Company with effect from April 1, 2024.
- Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

c) Information placed before the Board

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statutes and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. There has not been any instance of non-compliance. Important operational matters are brought to the notice of the Board at its meetings and various departmental heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

d) Outside directorships and the Committee positions

The details of outside directorships, memberships / Chairmanships of Audit Committee and Stakeholders Relationship Committee in Indian public companies as well as directorships in other listed companies and category, as on March 31, 2024 are as under:

Name of the Director	No. of Directorship in other Public Limited Companies	* No. of Committee positions held in other Public Limited Companies		Directorship in other listed Companies and category of directorship
		Chairman	Member	
Mr. Yashovardhan Saboo	3	Nil	1	KDDL Limited – Chairman and Managing Director
Mr. Anil Khanna	1	2	Nil	KDDL Limited – Independent Director
Mr. Sundeep Kumar	Nil	Nil	Nil	None
Mr. Dilpreet Singh	Nil	Nil	Nil	None
Mr. Mohaimin Altaf^	Nil	Nil	Nil	None
Mr. Manoj Gupta^	Nil	Nil	Nil	None
Mr. Patrik Paul Hoffmann^	Nil	Nil	Nil	None
Mr. Chitranjan Agarwal	Nil	Nil	Nil	None
Mrs. Munisha Gandhi	Nil	Nil	Nil	None
Mr. Charu Sharma	Nil	Nil	Nil	None
Mr. Yogen Khosla^	1	Nil	2	None
Mr. Manoj Subramanian^	Nil	Nil	Nil	None
Mr. Pranav Shankar Saboo^	Nil	Nil	Nil	None

\*Committee positions includes only the membership of Audit Committee and Stakeholder's Relationship Committee as per SEBI (LODR) Regulations, 2015)

Notes:

- Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024 (from the close of business hours).
- Mr. Charu Sharma and Mr. Patrik Paul Hoffmann were appointed as Independent Directors of the Company through special resolutions passed by members on March 5, 2023.
- Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.
- Mr. Yashovardhan Saboo was reappointed as the Chairman and Managing Director for a term of 3 (three) years with effect from April 1, 2023 through a special resolution passed by members on May 19, 2023.
- Mr. Dilpreet Singh was reappointed as an Independent Director of the Company for a further term of 5 (five) years at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.
- Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.
- Mrs. Munisha Gandhi was appointed as an Independent (Woman) Director of the Company through special resolution passed by members on December 19, 2023.

e) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / competencies identified by the Board of Director as required in the context of the Company's business and that the said skills are available with the Board Members. The details of Directors of the Company who possess those skills/ expertise/competencies are as given below:

Name of the Director	Skills/Expertise/Competencies						
	Business and Strategy	Industry experience and knowledge	Financial and Risk Management	Governance	Technology	Leadership	Sales and Marketing
Mr. Yashovardhan Saboo	✓	✓	✓	✓	✓	✓	✓
Mr. Anil Khanna	✓	✓	✓	✓	✓	✓	✓
Mr. Sundeep Kumar	✓	✓	✓	✓	✓	✓	✓
Mr. Dilpreet Singh	✓	✓	✓	✓	✓	✓	✓
Mr. Manoj Gupta	✓	✓	✓	✓	✓	✓	✓
Mr. Chitranjan Agarwal	✓	✓	✓	✓	✓	✓	✓
Mrs. Munisha Gandhi	✓	✓	✓	✓	✓	✓	✓
Mr. Charu Sharma	✓	✓	✓	✓	✓	✓	✓
Mr. Yogen Khosla	✓	✓	✓	✓	✓	✓	✓
Mr. Manoj Subramanian	✓	✓	✓	✓	✓	✓	✓
Mr. Pranav Shankar Saboo	✓	✓	✓	✓	✓	✓	✓

- Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.
- Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as a Whole time Director with functional designation of Executive Director (KMP) of the Company with effect from April 1, 2024.
- Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

None of the Directors on the Board holds Directorships in more than ten public companies and/or twenty private companies. Necessary disclosures regarding Directorship positions in public and private companies as on March 31, 2024 have been made by the Directors.

There is no arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were appointed as a director or member of senior management.

None of the Directors of the Company are related inter-se as on March 31, 2024 other than Mr. Yashovardhan Saboo and Mr. Pranav Shankar Saboo who are relatives. Mr. Pranav Shankar Saboo is the son of Mr. Yashovardhan Saboo.



Notes:

- Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024 (from the close of business hours).
- Mr. Charu Sharma and Mr. Patrik Paul Hoffmann were appointed as Independent Directors of the Company through special resolutions passed by members on March 5, 2023.
- Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.
- Mr. Yashovardhan Saboo was reappointed as the Chairman and Managing Director for a term of 3 (three) years with effect from April 1, 2023 through a special resolution passed by members on May 19, 2023.
- Mr. Dilpreet Singh was reappointed as an Independent Director of the Company for a further term of 5 (five) years at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.
- Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.
- Mrs. Munisha Gandhi was appointed as an Independent (Woman) Director of the Company through special resolution passed by members on December 19, 2023.
- Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.
- Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as a Whole time Director with functional designation of Executive Director (KMP) of the Company with effect from April 1, 2024.
- Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

**f) Familiarisation Programme for Independent Directors**

The Companies Act, 2013, read with Regulation 25(7) of the SEBI Listing Regulations places increased responsibilities on Independent Directors of the Company. To enable the Independent Directors to fulfil their responsibilities efficiently and effectively, a familiarisation program is formulated by the Company to assist them understand details about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

Details of Familiarisation programme imparted to Independent Directors are available on the website of the Company i.e., [https://www.ethoswatches.com/investorsinformation/download/policies/FAMILIARIZATION\\_PROGRAMME\\_FOR\\_INDEPENDENT\\_DIRECTORS.pdf](https://www.ethoswatches.com/investorsinformation/download/policies/FAMILIARIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf)

**g) Remuneration of the Directors**

The Board of Directors, vide resolution dated November 3, 2022, approved the payment of sitting fees payable to Directors for attending the Board Meetings and Committees meetings of the Company with effect from 1<sup>st</sup> April, 2023 in the following manner:-

Particulars	Amount in ₹
<b>For meetings of the Board and Audit Committee</b>	
For half day (4 hours or less)	40,000/-
For full day	60,000/-
<b>For meetings of specified committees*</b>	
For half day (4 hours or less)	30,000/-
For full day	40,000/-
<b>For meetings of all other committees</b>	
For half day (4 hours or less)	20,000/-
For full day	30,000/-

Notes:-

\*Specified committees are the following: - (a) Nomination & Remuneration Committee (b) CSR Committee (c) Stakeholders' Relationship Committee.

Designated Chairperson of the Board or a Committee is entitled to 1.5 times of the fees stated above.

For meetings lasting more than 1 (one) day, the fee increases pro-rata.

Sitting fee for any meeting's attendance via audio and video conferencing is paid at 0.75 \* factor.

The out-of-pocket expenses and expenses for attending the meetings continues to be reimbursed as per prevailing practice. Furthermore, the payment of commission of 1% of the profit as per prevailing practice, was discontinued for financial years commencing with effect from 1st April, 2023.

The details of remuneration paid to the Directors during the year under review are as follows:-

Name of the Director	Sitting fees	Salary	Profit sharing Commission	Total
Mr. Yashovardhan Saboo	Nil	192.84	Nil	192.84
Mr. Anil Khanna	8.84	Nil	Nil	8.84
Mr. Sundeep Kumar	3.92	Nil	Nil	3.92
Mr. Dilpreet Singh	4.68	Nil	Nil	4.68
Mr. Mohaimin Altaf	2.37	Nil	Nil	2.37
Mr. Manoj Gupta	Nil	83.87	Nil	83.87
Mr. Patrik Paul Hoffmann	1.65	Nil	Nil	1.65
Mr. Chitranjan Agarwal	6.40	Nil	Nil	6.40
Mrs. Munisha Gandhi	3.47	Nil	Nil	3.47
Mr. Charu Sharma	1.60	Nil	Nil	1.60
Mr. Yogen Khosla	0.70	Nil	Nil	0.70
Mr. Manoj Subramanian	Nil	NA	Nil	Nil
Mr. Pranav Shankar Saboo	Nil	NA	Nil	Nil

Notes:

- Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024 (from the close of business hours).
- Mr. Charu Sharma and Mr. Patrik Paul Hoffmann were appointed as Independent Directors of the Company through special resolutions passed by members on March 5, 2023.
- Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.
- Mr. Yashovardhan Saboo was reappointed as the Chairman and Managing Director for a term of 3 (three) years with effect from April 1, 2023 through a special resolution passed by members on May 19, 2023.
- Mr. Dilpreet Singh was reappointed as an Independent Director of the Company for a further term of 5 (five) years at the 16<sup>th</sup> Annual General Meeting of the Company held on September 29, 2023.
- Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.
- Mrs. Munisha Gandhi was appointed as an Independent (Woman) Director of the Company through special resolution passed by members on December 19, 2023.

- Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.
- Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as a Whole time Director with functional designation of Executive Director (KMP) of the Company with effect from April 1, 2024.
- Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

The appointments and payment of remuneration to Chairman and Managing Director, Managing Director and Chief Executive Officer along with Executive Director are governed by the resolutions recommended by the Nomination and Remuneration Committee, Audit Committee and the Board and thereafter, approved by the Members of the Company, which cover the terms and conditions of their appointments and payment of remuneration read with the service rules of the Company.

None of the Non-Executive Directors has any pecuniary relationship or transaction vis-a-vis the Company during the year under review except for the payment of sitting fees for attending various Board and Committee meetings of the Company held from time to time.

**h) Number of shares held by Directors and Key Managerial Personnel**

The number of shares and convertible instruments held by Directors and Key Managerial Personnel ('KMP') of the Company as at March 31, 2024 are as under:-

Name of the Director or Key Managerial Personnel	Designation	Number of equity shares	Number of convertible instruments
Mr. Yashovardhan Saboo	Chairman and Managing Director (KMP)	138	Nil
Mr. Anil Khanna	Independent Director	4,400	Nil
Mr. Sundeep Kumar	Independent Director	Nil	Nil
Mr. Dilpreet Singh	Independent Director	670	Nil
Mr. Mohaimin Altaf	Independent Director	Nil	Nil
Mr. Manoj Gupta	Director (KMP)	8,500	Nil
Mr. Patrik Paul Hoffmann	Independent Director	Nil	Nil
Mr. Chitranjan Agarwal	Non-Independent and Non-Executive Director	Nil	Nil
Mrs. Munisha Gandhi	Independent (Woman) Director	Nil	Nil
Mr. Charu Sharma	Independent Director	Nil	Nil
Mr. Pranav Shankar Saboo	Director and Chief Executive Officer (KMP)	Nil	Nil
Mr. Munish Gupta	Chief Financial Officer (KMP)	300	Nil
Mr. Anil Kumar	Company Secretary and Compliance Officer (KMP)	22	Nil
Mr. Manoj Subramanian	Director (KMP)	Nil	Nil

Notes:-

- Mr. Ritesh Kumar Agrawal ceased to be the Chief Financial Officer (KMP) of the Company with effect from February 15, 2024. He was holding 51 shares of the Company as on 31<sup>st</sup> March 2024.
- Mr. Mohaimin Altaf retired as an Independent Director of Company with effect from September 29, 2023. He was not holding any shares of the Company as on 31<sup>st</sup> March, 2024.
- Mr. Patrik Paul Hoffmann ceased to be the Independent Director of Company with effect from September 29, 2023. He was not holding any shares of the Company as on 31<sup>st</sup> March, 2024.

**i) Code of Conduct**

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have confirmed compliance with the Code for the financial year ended March 31, 2024 in terms of Regulation 26(3) of the SEBI Listing Regulations and a declaration from the Chairman and Managing Director to that effect is given at the end of this report.

All the Directors and Senior Management of the Company have affirmed compliance with this Code and a declaration to that effect by Managing Director is attached to this report as an annexure to this report.

Details of the Code of Conduct for Board of Directors and Senior Management Personnel is available on the website of the Company i.e., [https://www.ethoswatches.com/investors-information/download/policies/CODE\\_OF\\_CONDUCT\\_FOR\\_BOARD\\_OF\\_DIRECTORS\\_AND\\_SENIOR\\_MANAGEMENT.pdf](https://www.ethoswatches.com/investors-information/download/policies/CODE_OF_CONDUCT_FOR_BOARD_OF_DIRECTORS_AND_SENIOR_MANAGEMENT.pdf)

**II. Committees of the Board**

The Committees of the Board are set up by the Board and are governed by their respective terms of reference. These Committees play a pivotal role in the governance of the Company. The minutes of the meetings of all the Committees of the Board are placed before the Board for noting. There are 6 (six) Committees of the Board as on March 31, 2024, are as under:-

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee;
- Risk Management Committee;
- Corporate Social Responsibility Committee; and
- Fund Raising Committee

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:-

**a) Audit Committee**

The Audit Committee was constituted pursuant to a resolution passed by our Board dated December 9, 2008. The Audit Committee was re-constituted vide passing the board resolution dated October 31, 2018. The Audit Committee was further re-constituted vide passing the board resolution dated July 26, 2022, by circulation dated October 7, 2022 and vide passing board resolution dated September 29, 2023. As on March 31, 2024 the Committee comprises of 3 Directors including 2 (two) Independent Directors. All members of the Committee are financially literate and having requisite accounting or related financial management expertise. The composition of the Committee and its terms of reference are in compliance with the Act and SEBI Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Audit Committee is as follows:-

Name and Category	Meetings and attendance of members thereof				
	May 12, 2023	August 5, 2023	September 1, 2023	November 14, 2023	January 18, 2024
Mr. Anil Khanna (Chairman – Independent Director)	✓	✓	✓	✓	✓
Mr. Mohaimin Altaf (Member - Independent Director)*	✓	✓	✓	-	-
Mr. Chitranjan Agarwal (Member - Non-Executive/Non Independent Director)	✓	✓	✓	✓	✓
Mrs. Munisha Gandhi ** ( Member - Independent (Woman) Director)	—	—	—	✓	✓

\* Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023 and as such, he ceased to be the member of the Committee.

\*\* Mrs. Munisha Gandhi was appointed as member of Audit Committee with effect from September 29, 2023.

Mr. Anil Khanna, Chairman of the Committee was present at the previous Annual General Meeting of the Company held on September 29, 2023.

Terms of Reference of Audit Committee:-

**Powers of Audit Committee-** The Audit Committee shall have powers, including the following:

- to investigate any activity within its terms of reference.
- to seek information from any employee.
- to obtain outside legal or other professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

**Role of Audit Committee -** The role of the Audit Committee shall include the following:

- oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible.
- recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee.
- approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- formulation of a policy on related party transactions, which shall include materiality of related party transactions.
- Following information shall be provided by the Company to Audit Committee for approval by the Audit Committee for a proposed related party transaction:
  - Type, material terms and particulars of the proposed transaction.

- Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).

- Tenure of the proposed transaction (particular tenure shall be specified).

- Value of the proposed transaction.

- The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).

If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary:

- details of the source of funds in connection with the proposed transaction.

- where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments

- nature of indebtedness, cost of funds and tenure.

- applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

- the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.

- The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

- reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

- examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval

- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
  - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
  - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
  - approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(z c) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- scrutiny of inter-corporate loans and investments.
- valuation of undertakings or assets of the Company, wherever it is necessary.
- evaluation of internal financial controls and risk management systems.
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- discussion with internal auditors of any significant findings and follow up there on.
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
- looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- reviewing the functioning of the whistle blower mechanism.
- monitoring the end use of funds raised through public offers and related matters.
- overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases.
- approval of appointment of Chief Financial Officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate
- reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
- carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders; and
- Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations, and other applicable provisions.

**b) Nomination & Remuneration Committee**

The Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated August 4, 2014. The Committee was re-constituted vide board resolution dated July 26, 2022 and by way of a resolution passed by circulation dated October 7, 2022. As on March 31, 2024 the Committee comprises of 4 (four) Directors including 3 (three) Independent Directors. The composition of the Committee and its terms of reference are in compliance with the Act and SEBI Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Nomination and Remuneration Committee is as follows:-

Name and Category	Meetings and attendance of members thereof		
	November 14, 2023	January 18, 2024	February 9, 2024
Mr. Dilpreet Singh (Chairman – Independent Director)	✓	✓	✓
Mr. Anil Khanna (Member - Independent Director)	✓	✓	✓
Mr. Sundeep Kumar (Member - Independent Director)	✓	✓	✓
Mr. Chitranjan Agarwal (Member - Non-Executive and Non-Independent Director)	✓	✓	✓

Mr. Dilpreet Singh, Chairman of the Committee was present at the previous Annual General Meeting of the Company held on September 29, 2023.

Terms of Reference of Nomination and Remuneration Committee are as follows :-

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel, and other employees ("Remuneration Policy").
- The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
  - the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully; and
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- Formulation of criteria for evaluation of independent directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend their appointment to the Board and removal and carrying out evaluation of every director's performance (including independent director);
- Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting of a fixed and variable component.
- Analysing, monitoring, and reviewing various human resource and compensation matters.
- Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.
- Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable.
- Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agency, if required.
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and

- consider the time commitments of the candidates.
- Administering the employee stock option scheme/ plan approved by the Board and the shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any.
- Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme.
- Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

**Performance evaluation of the Board**

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual directors was conducted during the year in compliance with provisions laid down under Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with Schedule IV of Companies Act, 2013. The evaluation was carried out based on the criterion and framework approved by the Nomination and Remuneration Committee.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Stakeholders Relationship Committee is as follows:-

Name and Category	Meetings and attendance of members thereof
	February 3, 2024
Mr. Anil Khanna (Chairman - Independent Director)	✓
Mr. Yashovardhan Saboo (Member – Chairman and Managing Director)	✓
Mr. Manoj Gupta* (Member – Executive Director)	—
Mr. Pranav Shankar Saboo** (Member – Director and Chief Executive Officer)	×

\* Mr. Manoj Gupta ceased to be the member of the Committee with effect from January 18, 2024.

\*\*Mr. Pranav Shankar Saboo was appointed as a member with effect from January 18, 2024.

Mr. Anil Khanna, Chairman of the Committee was present at the previous Annual General Meeting of the Company held on September 29, 2023.

Mr. Anil Kumar, Company Secretary of the Company is the Compliance Officer of the Company.

The process of performance evaluation is based on the evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others include their attendance and contribution at the meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on the Board/ Committees and adherence to the Code of Conduct etc.

Based on the said evaluation forms, the Independent Directors in their meeting held on February 3, 2024 reviewed the performance of non-independent directors and the board of directors as a whole, reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors and assessed the quality, quantity and timeliness of flow of information between management and Board of Directors that is necessary for them to effectively and reasonably perform their duties. Subsequently, the Nomination and Remuneration Committee and Board took note of the same on the basis of evaluation forms received from all the Directors except the Director being evaluated.

**c) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was constituted pursuant to a resolution of our Board dated October 7, 2015. The said committee was further re-constituted vide passing board resolution dated December 30, 2021 and further on January 18, 2024. The Committee comprises of 3 (three) Directors including 1 (one) Independent Director. The composition of the Committee and its terms of reference are in compliance with the Act and SEBI Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

**Terms of Reference of Stakeholder Relationship Committee:-**

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:-

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures or deposits from shareholders/ public deposits, including non-receipt of share or debenture certificates of deposit certificate and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- review of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all

**d) Risk Management Committee**

The Risk Management Committee was constituted pursuant to the Board Resolution passed on December 30, 2021 and was further reconstituted vide passing board resolution dated January 18, 2024. The Committee comprises of 3 (three) Directors out of which 1 (one) is an Independent Director. The composition of the Committee and its terms of reference are in compliance with SEBI Listing Regulations.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Risk Management Committee is as follows:

Name and Category	Meetings and attendance of members thereof	
	August 28, 2023	February 3, 2024
Mr. Sundeep Kumar (Chairman – Independent Director)	✓	✓
Mr. Manoj Gupta * (Member - Executive Director)	✓	—
Mr. Yashovardhan Saboo (Member – Chairman and Managing Director)	—	✓
Mr. Pranav Shankar Saboo (Member -Director and Chief Executive Officer)	✓	×

\*Mr. Manoj Gupta ceased to be the member of the Committee with effect from January 18, 2024.

\*\*Mr. Yashovardhan Saboo was appointed as a member with effect from January 18, 2024.

the requirements related to shares, debentures and other securities from time to time;

- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services.
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

**Details of Shareholder's/Investor's complaints received and resolved during the year:-**

Complaints pending as on April 1, 2023	Received during the year	Resolved during the year	Complaints pending as on March 31, 2024
Nil	Nil	Nil	Nil

The Company has designated an e-mail id viz. [investors.communications@ethoswatches.com](mailto:investors.communications@ethoswatches.com) for redressal of shareholders' /investors' complaints / grievances.

**Terms of Reference of Risk Management Committee-**

- To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
- To implement and monitor policies and/or processes for ensuring cyber security;
- To frame, devise and monitor risk management plan and policy of the Company;
- To review and recommend potential risk involved in any new business plans and processes;
- To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- Monitor and review regular updates on business continuity;

- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

**e) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was constituted pursuant to the Board Resolution passed on February 4, 2019. The said committee was further re-constituted vide board resolution dated November 3, 2022 and vide board resolution dated September 29, 2023 and further on January 18, 2024. Currently, the Committee comprises of 4 (Four) Directors including 1 (one) Independent Director and a Special Invitee. The composition of the Committee and its terms of reference are in compliance with the Act.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Corporate Social Responsibility Committee is as follows:-

Name and Category	Meetings and attendance of members thereof	
	May 12, 2023	
Mr. Yashovardhan Saboo (Chairman – Chairman and Managing Director)	✓	
Mr. Mohaimin Altaf* (Member - Independent Director)	✓	
Mrs. Munisha Gandhi (Member – Independent Director)	✓	
Mr. Manoj Gupta** (Member – Executive Director)	—	
Mr. Manoj Subramanian*** (Member – Director)	—	
Mr. Pranav Shankar Saboo (Member – Director and Chief Executive Officer)	✓	
Mrs. Malvika Saboo (Member – Special Invitee)	x	

\* Mr. Mohaimin Altaf ceased to be the member of the Committee with effect from September 29, 2023.

\*\* Mr. Manoj Gupta was appointed as the member of the Committee with effect from September 29, 2023 and thereafter, he ceased to be the member with effect from January 18, 2024.

\*\*\* Mr. Manoj Subramanian was appointed as the member of the Committee with effect from January 18, 2024

**Terms of References of Corporate Social Responsibility Committee: -**

- formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;
- identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

- delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

**f) Fund Raising Committee**

The Fund-Raising Committee was constituted pursuant to the Board Resolution passed on September 29, 2023. The Committee comprises of 2 (two) Directors of the Company. The composition of the Committee and its terms of reference are in compliance with the Act.

**Terms of References of Fund-Raising Committee: -**

- Appointment and/or ratification of the appointment of the various agencies to the issue including the merchant bankers, legal counsel, international legal counsel, underwriters, other advisors, consultants, co-managers, bankers, registrar to the issue, professionals and intermediaries and all such agencies as may be involved etc;
- To negotiate, finalise, sign, execute and deliver or arrange the delivery of all contracts, including but not limited to the placement agreement, the escrow agreement and all other agreements and documents, deeds and instruments as may be required or desirable in connection with the raising of funds through issue of securities by the Company;
- Approving the issue document and filing the same with the Stock Exchange and / or such other authorities or persons as may be required;
- Determine terms of the Issue including approval of the issue price, rate of discount (if any), to the floor price subject to compliance with applicable rules and regulations; issue size, the number of Equity Shares to be allotted etc.;
- Approving affixation of the Common Seal of the Company on any agreement(s)/document(s) as may be required to be executed in connection with the above, as per Articles of Association of the Company;

- Approving opening and operation of Bank accounts as may be required for the transaction;
- Approve the dates for opening and closure of the Issue;
- Finalization of allocation and allotment of the Equity Shares on the basis of the subscription received;
- To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- To make and submit applications as may be necessary with the appropriate authorities and make the necessary regulatory filings in this regard in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- Approve determination of the list of Qualified Institutional Buyers ("QIBs") to whom the offer to subscribe shall be made and doing all acts necessary in this regard, including organization of any meetings in this regard with such QIBs, subject to compliance with applicable laws;
- Approval of all expenses incurred in relation to the QIP;
- Approve submission of application for in-principal approval, listing of the Equity Shares of the Company on the stock exchange(s) where the Company's shares are listed and to execute and to deliver or arrange the delivery of documentation to the concerned stock exchange(s).

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Fund-Raising Committee is as follows:-

Name and Category	Meetings and attendance of members thereof			
	September 29, 2023	October 31, 2023	November 3, 2023*	November 3, 2023*
Mr. Yashovardhan Saboo (Chairman – Chairman and Managing Director)	✓	✓	✓	✓
Mr. Anil Khanna (Member – Independent Director)	✓	✓	✓	✓
Mr. Ritesh Kumar Agrawal** (Member – Chief Financial Officer)	✓	✓	✓	✓

\*One meeting was held at 9.00 p.m. and the other at 11.30 p.m. on November 3, 2023

\*\*Mr. Ritesh Kumar Agrawal ceased to be the Chief Financial Officer (KMP) of the Company with effect from February 15, 2024. As such, he ceased to be the member of the Committee.

**III. Information on General Body Meetings**

**a) Details of date, time and venue of last 3 (three) Annual General meetings and Special Resolutions passed therein**

Year	Date and Time	Venue/Deemed Venue*	Special Resolutions passed
2022-23	September 29, 2023 at 10.00 a.m. IST (16 <sup>th</sup> Annual General Meeting)	Registered office of the Company at Plot no. 3, Sector III, Parwanoo 173 220, Himachal Pradesh (Conducted through Video Conferencing/ Other Audio-Visual Means*)	Re-appointment of Mr. Dilpreet Singh (DIN - 03042448), as an Independent Director Issuance of securities for an aggregate consideration not exceeding ₹ 250 crores
2021-22	September 27, 2022 at 10.00 a.m. IST (15 <sup>th</sup> Annual General Meeting)	Registered office of the Company at Plot no. 3, Sector III, Parwanoo 173 220, Himachal Pradesh (Conducted through Video Conferencing/Other Audio-Visual Means*)	Re-appointment of Mr. Anil Khanna (DIN – 00012232) as an Independent Director Re-appointment of Mr. Sundeep Kumar (DIN – 02750717) as an Independent Director
	February 22, 2022 at 11:30 a.m. IST (Extraordinary General meeting)	Registered office of the Company at Plot no. 3, Sector III, Parwanoo 173 220, Himachal Pradesh (Conducted through Video Conferencing/ Other Audio-Visual Means*)	Further issue of equity shares (Pre-IPO placement)
	January 18, 2022 at 1.00 p.m. IST (Extraordinary General Meeting)	Registered office of the Company at Plot no. 3, Sector III, Parwanoo 173 220, Himachal Pradesh (Conducted through Video Conferencing/ Other Audio-Visual Means*)	Revision in the remuneration payable to Mr. Pranav Shankar Saboo as Chief Executive Officer (non-Director) of the Company along with re-appointment thereof Alteration to the main objects clause of the Memorandum of Association of the Company Adoption of revised Articles of Association of the Company Approval for raising of capital through an Initial Public Offering
2020-21	July 31, 2021 at 10.00 a.m. IST (14 <sup>th</sup> Annual General Meeting)	Registered office of the Company at Plot no. 3, Sector III, Parwanoo 173 220, Himachal Pradesh	Revision in the remuneration payable to Mr. Pranav Shankar Saboo as Chief Executive Officer (non-Director) of the Company, with effect from April 1, 2021 upto March 31, 2023 Approval for the arrangement with Mr. Patrik Paul Hoffmann, Director of the Company in terms of provisions of section 188(1)(f) of the Companies Act, 2013 Approval for variation/modification in the terms of 'Ethos Employee Stock Option Plan 2013'

\*in compliance with the applicable provisions of the Act, and the SEBI Listing Regulations read with MCA Circulars and SEBI Circular

**b) Postal Ballot**

Pursuant to Section 110 and Section 108 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, during the year under review, 10 (Ten) resolutions including 7 (seven) special resolutions, were passed by members of the Company through Postal Ballot activity.

Resolutions for which approval was sought from the members through the Postal Ballot:

Financial Year	Date and Time	Special Resolutions passed through Postal Ballot	Calendar of events concerning the process of implementation of postal ballot
2023-24	Date of notice - March 28, 2023 Date of passing of resolution - May 19, 2023	Re-appointment of Mr. Yashovardhan Saboo (DIN – 00012158) as the Chairman and Managing Director of the Company and approval of remuneration thereof	Cut-off date for determining shareholders eligible to vote on the resolutions set out in the notice of postal ballot was April 14, 2023. The dispatch of notice and its publication in the Newspaper, as required, was completed on April 19,2023. The remote e-voting commenced on April 20,2023 w.e.f. 9.00 a.m. IST and concluded on May 19,2023 at 5.00 p.m. IST. The resolution was approved with requisite majority as per Consolidated Scrutinizer's Report dated May 20, 2023.
	Date of notice - November 14, 2023 Date of passing of resolution - December 19, 2023	Appointment of Mrs. Munisha Gandhi (DIN – 09684474) as an Independent (Woman) Director of the Company	Cut-off date for determining shareholders eligible to vote on the resolutions set out in the notice of postal ballot was November 17, 2023. The dispatch of notice and its publication in the Newspaper, as required, was completed on November 19, 2023. The remote e-voting commenced on November 20,2023 w.e.f. 9.00 a.m. IST and concluded on December 19,2023 at 5.00 p.m. IST. The resolution was approved with requisite majority as per Scrutinizer's Report dated December 20, 2023.
	Date of notice - January 18, 2024 Date of passing of resolution - March 21, 2024	Appointment of Mr. Yogen Khosla (DIN-00203165) as an Independent Director of the Company Appointment of Mr. Pranav Shankar Saboo (DIN - 03391925) as a Managing Director and Chief Executive Officer of the Company along with payment of remuneration Appointment of Mr. Manoj Subramanian (DIN-10458966) as a Whole time Director with functional designation of Executive Director of the Company along with payment of remuneration Approval for variation in terms of the objects of issue of Initial Public Offering of the Company Approval for Section 185 and 186 of the Companies Act, 2013 read with rules made thereunder	Cut-off date for determining shareholders eligible to vote on the resolutions set out in the notice of postal ballot was February 16, 2024. The dispatch of notice and its publication in the Newspaper, as required, was completed on February 20, 2024. The remote e-voting commenced on February 21, 2024 w.e.f. 9.00 a.m. IST and concluded on March 21, 2024 at 5.00 p.m. IST. All the resolutions were approved with requisite majority as per Scrutinizer's Report submitted on March 22, 2024.

The Board of Directors of the Company had appointed CS Jaspreet Singh Dhawan, Practicing Company Secretary (Membership no. FCS 9372 and Certificate of Practice no. 8545) as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner. All e-votes received up to 5.00 p.m. on the last day of e-voting were considered for scrutiny. E-votes received after these dates were not considered for scrutiny. The results of the Postal Ballot were announced on the said dates as mentioned in notice declaring that the ordinary/special resolutions set out in the Postal Ballot Notice were duly passed by the Members of the Company, with requisite majority.

**Procedure adopted for Postal Ballot:**

- The Company conducted the Postal Ballot by remote e-voting process as set out in the aforesaid Notices pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, ('Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), each as amended, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, Circular No. 20/2021 dated December 8, 2021, General Circular Nos. 03/2022 dated May 5, 2022, General Circular no. 11/2022 dated September 28, 2022, General Circular no. 11/2022 dated December 28, 2022 and General Circular no. 09/2023 dated September 25, 2023.
- The Company had sent Postal Ballot Notice as stated above through electronic mode to the Members whose e-mail ids were registered with the Company, Registrar & Share Transfer Agents (RTA), Central Depository Services (India) Limited ("CDSL")/ National Securities Depository Limited (NSDL) as on the cut-off date.
- The Company had published advertisements in Financial Express (English) and Himachal Times, Shimla (Hindi).
- The e-voting facility was provided by Registrar and Share Transfer Agent – KFin Technologies Limited.
- The remote e-voting process commenced as mentioned above.
- The resolutions were approved by the members with requisite majority as per the Consolidated Scrutinizer's Report issued by CS Jaspreet Singh Dhawan, Scrutinizer vide his Report as stated above.

**IV. Subsidiary Companies**

The Company has 2 (two) subsidiary body corporates, namely Cognition Digital LLP and RF Brands Private Limited, a joint venture company, namely Pasadena Retail Private Limited and an associate body corporate, namely Silvercity Brands AG as at March 31, 2024.

Cognition Digital LLP is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 and RF Brands Private Limited is a company incorporated under the Companies Act, 2013. Silvercity Brands AG, a company incorporated under the provisions of Swiss Laws was a wholly owned subsidiary of the Company upto March 10, 2024 after which due to further allotment of shares in Silvercity Brands AG, the shareholding of the Company has reduced to 35% from the erstwhile 100% due to which the status of Silvercity Brands AG is converted to an associate body corporate. None of the said body corporates is a material subsidiary. However, the Board has formulated a Policy on Material Subsidiaries, which is available on the Company's website and can be accessed through the link [https://www.ethoswatches.com/investorsinformation/download/policies/POLICY\\_ON\\_DETERMINING\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.ethoswatches.com/investorsinformation/download/policies/POLICY_ON_DETERMINING_MATERIAL_SUBSIDIARIES.pdf)

The subsidiary body corporates, joint venture company and associate body corporate of the Company are managed by their respective Board of Directors / management in the best interest of the stakeholders. The requirements of SEBI (LODR) Regulations with regard to subsidiary companies have been complied with to the extent applicable.

**V. Chairman and Managing Director /Chief Financial Officer certification**

In terms of Regulation 17(8) of LODR Regulations, the Certificate by Chairman and Managing Director along with Chief Financial Officer of the Company for the financial year ended March 31, 2024 was placed before the Board and the same is annexed as a separate annexure.

**VI. Management Discussion and Analysis**

The Annual Report has a detailed chapter on Management Discussion and Analysis.

**VII. Certificate regarding non-debarment of the Directors**

None of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by Securities and Exchange Board of India ("SEBI") / Ministry of Corporate Affairs or any such statutory authority and a certificate to this effect by M/s Jaspreet Dhawan & Associates, Practicing Company Secretaries is annexed as a separate annexure.

**VIII. Disclosures**

**a) Materially significant related party transactions**

All the related party transactions entered into during the year under review were on arm's length basis and the Company had not entered into any related parties

transactions, which could be considered as material in accordance with the Company's Policy on Materiality of and Dealing with Related Party Transactions. Details of related party transactions have been disclosed in Note 37 of the financial statements. These transactions do not have any potential conflict with the interest of the Company at large. The Policy on Materiality of and Dealing with Related Party Transactions is available on the Company's website and can be accessed through the link [https://www.ethoswatches.com/investorsinformation/download/policies/POLICY\\_ON\\_MATERIALITY\\_OF\\_RELATED\\_PARTY\\_TRANSACTIONS.pdf](https://www.ethoswatches.com/investorsinformation/download/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS.pdf)

**b) Disclosure of Accounting Convention in preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the accounting principles applicable in India including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. The financial statements have been prepared on a going concern basis and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**c) Details of utilisation of funds raised through preferential allotments**

During the year under review, there was an allotment of 11,31,210 equity shares of ₹ 10 each at a securities premium of ₹ 1537 per share aggregating to amount to ₹ 175 crores under the Qualified Institutional Placement of the Company at the Fund Raising Committee meeting held on November 3, 2023.

Furthermore, the shareholders of the Company accorded their approval for extension of the utilization of proceeds

During the year under review, the status of the concerns or complaints reported stands as follows :-

No. of concerns or complaints outstanding as at April 1, 2023	:	Nil
No. of concerns or complaints received during the year	:	Nil
No. of concerns or complaints resolved during the year	:	Nil
No. of concerns or complaints outstanding as at March 31, 2024	:	Nil

**g) Details of compliance with mandatory requirements and adoption of non-mandatory requirements**

The Company has complied with the mandatory requirements of corporate governance stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations during the year under review. A certificate from Practicing Company Secretary regarding compliance with the requirements of corporate governance is annexed with the Directors' Report.

The Company shall endeavour to adopt non-mandatory requirements to the extent possible.

from Initial Public Offering for a further term of 18 (eighteen) months from the date of approval, i.e. March 21, 2024.

**d) Disclosure on non-acceptance of any recommendation of any Committee by the Board which is mandatorily required**

There was no such instance during the year under review when the Board had not accepted any recommendation of any Committee of the Board.

**e) Details of non-compliance, penalties etc. regarding matters related to Capital Market**

There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the stock exchanges, SEBI or any other statutory authority relating to capital markets during the last three years. No penalty or stricture was imposed on the Company by any stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 (three) years.

**f) Vigil Mechanism/Whistle Blower Policy**

The Company has formulated and implemented 'Ethos Limited – Vigil Mechanism/Whistle Blower Policy' to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The same is hosted on the website of the Company at the link [https://www.ethoswatches.com/investors-information/download/policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](https://www.ethoswatches.com/investors-information/download/policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf). The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

**h) Non-compliance of any requirement of Corporate Governance Report**

The Company has endeavored to comply with all requirements of Corporate Governance Report and there has been no instance of any non-compliance thereof.

**i) Commodity price risks and commodity hedging activities**

The disclosures regarding commodity risks as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 are not applicable to the Company.

**j) Prohibition of Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” to ensure fair and adequate disclosure of unpublished price sensitive information and ‘Code of Conduct to Regulate, Monitor and Report Trading by the Insiders’ to regulate, monitor and report trading by Designated Persons and their Immediate Relatives.

of such meets are sent to the stock exchanges and displayed on the Company’s website at <https://www.ethoswatches.com/investors-information/investors>.

**e. Press/Media releases:** Official news and press/media releases are sent to the stock exchanges and displayed on the Company’s website at <https://www.ethoswatches.com/investors-information/investors>.

**f. Half-yearly report sent to each household of shareholders:** The Company sends the annual reports through email to the shareholders whose email addresses are registered with the Company/Depositories.

**g. Management Discussion and Analysis:** The Company’s Management Discussion and Analysis (M&DA) forms a part of annual report in Annexure – II, which includes detailed review of operations, performance and future outlook of the Company, is annexed hereto and forming part of this report.

Annual Report, Notice of the meetings and other communications shall be sent to Members through e-mail, post or courier. Pursuant to the General Circular no. 09/2023 dated September 25, 2023, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular no. SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the Annual General Meeting (‘AGM’) of the Company is being held through Video conference (VC) / Other Audio video Means (OAVM) during the financial year 2024. Also, the Companies are permitted to send the Annual Report only by e-mail to Members of the Company. Therefore, Annual Report for FY 2023-24 including Notice of 17<sup>th</sup> (Seventeenth) AGM of the Company is being sent to Members at their registered e-mail addresses in accordance with the Circulars.

Management presentations on quarterly results, quarterly shareholding patterns, Annual Reports and other important information submitted by the Company with BSE Limited and National Stock Exchange of India Limited from time to time, are also displayed on the Company’s website.

**d) Dividend payment date**

The Directors of the Company have not recommended any dividend for the year.

**e) Listing on stock exchanges, stock code and listing fee payment**

Name and address of the stock exchange	Stock code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	543532
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra, Mumbai – 400 051	ETHOSLTD

The Company has already paid the annual listing fee for the financial year 2024-25 to both the stock exchanges.

**f) Market Price data – high, low during each month in last financial year**

Month	Price at BSE Limited (₹)		Price at National Stock Exchange of India Limited (₹)	
	High	Low	High	Low
April 2023	1,339.55	935.00	1339.55	955.00
May 2023	1,474.95	1,200.60	1477.95	1200.00
June 2023	1,453.45	1,227.15	1,456.05	1,228.05
July 2023	1,545.55	1,386.05	1,549.00	1,385.10
August 2023	1,679.20	1,300.05	1,700.00	1,388.00
September 2023	1,999.95	1,570.00	1,819.20	1,562.10
October 2023	1,767.55	1,542.00	1,765.00	1,551.05
November 2023	2,146.00	1,653.65	2,144.00	1,650.00
December 2023	2,177.85	1,781.65	2,179.80	1,783.00
January 2024	2,550.00	2,070.90	2,550.00	2,071.25
February 2024	2,917.35	2,367.05	2,921.55	2,368.00
March 2024	3,040.30	2,412.35	3,044.00	2,400.10

**g) Performance in comparison to Board based Indices – BSE Sensex and NSE Nifty**



**IX. Means of Communication**

**a. Financial Results:** The Company’s quarterly financial results are submitted to the stock exchanges within 45 (forty five) days from the end of the quarter and the audited annual results are announced within 60 (sixty) days from the end of the financial year as required under the SEBI Listing Regulations which are also available on the website of your Company at <https://www.ethoswatches.com/investors-information/financial>.

**b. Newspapers:** The results are usually published in Financial Express (English) newspaper having country-wide circulation and in Himachal Times, Shimla (Hindi) newspaper where the registered office of the Company is situated.

**c. Website:** The Company has maintained a functional website at <https://www.ethoswatches.com/investor-information>, which contains the basic information about the Company along with other information as prescribed under regulation 46 of SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015 under a separation section for dissemination to the public.

**d. Investors Calls/Analysts Meets:** The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company’s financial position and performance is an important part of your Company’s Corporate Governance. The Company has been complying with the disclosure requirements as applicable to it from time to time. Company’s officials interact on a regular basis with stakeholders through investor meetings, investor calls, media interactions, interviews etc. Intimation and outcome

**X. General Shareholder Information**

**a) Annual General Meeting**

Day and date	: Friday, September 27, 2024
Time	: 10:30 a.m.
Venue	: Meeting will be held through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility. (Deemed Venue - Registered Office: Plot no. 3, Sector III, Parwanoo , Himachal Pradesh 173 220)

**b) Financial year**

April 1 to March 31

**c) Date of Book Closure**

Not applicable



**h) Suspension from trading**

No securities of the Company were suspended from trading during the financial year 2023-24.

**i) Registrar and Transfer Agent**

KFin Technologies Limited  
Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareedi 500 032, Telangana  
Tel: +91 40 6716 2222/ 180034 54001  
E-mail: [ethosLtd@kfintech.com](mailto:ethosLtd@kfintech.com)  
Investor grievance e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)  
Contact person: M Murali Krishna  
SEBI Registration No.: INR000000221

**j) Share Transfer System**

In terms of Regulation 40(1) of LODR Regulations, securities can be transferred only in dematerialized form w.e.f. April 1, 2019 except in case of request received for transmission or transposition of securities. In view of this and to eliminate all the risks associated with physical shares, Members are advised to dematerialize shares held by them in physical form. Transfer of shares in dematerialized mode is done through the depositories without any involvement of the Company.

**k) Distribution of shareholding**

The distribution of shareholding of the Company as at March 31, 2024 is as under:-

S. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	29599	99.61	1822688	7.45
2	5001 - 10000	34	0.11	249671	1.02
3	10001 - 20000	33	0.11	461105	1.88
4	20001 - 30000	8	0.03	176680	0.72
5	30001 - 40000	6	0.02	209633	0.86
6	40001 - 50000	1	0.00	42432	0.17
7	50001 - 100000	13	0.04	888162	3.63
8	100001 and above	21	0.07	20630072	84.27
	<b>Total</b>	<b>29715</b>	<b>100.00</b>	<b>24480443</b>	<b>100.00</b>

**l) Shareholding Pattern**

The shareholding pattern of the Company as at March 31, 2024 is as under:-

Category	No. of Shareholders	No. of shares (Fully paid-up)	No. of shares (Partly paid-up)	Total no. of shares	%age
<b>A. Promoter and Promoter Group</b>					
a. Individuals					
(i) Domestic	8	23,159	—	23,159	0.09
(ii) Foreign	1	1,03,422	—	1,03,422	0.42
b. Body Corporate	5	1,35,14,529	—	1,35,14,529	55.21
<b>Total promoter and promoter group shareholding</b>	<b>14</b>	<b>1,36,41,110</b>	<b>—</b>	<b>1,36,41,110</b>	<b>55.72</b>
<b>B. Public Shareholding</b>					
a. Institutions (Domestic)					
(i) Mutual Funds	7	26,66,109	—	26,66,109	10.89
(ii) Alternate Investment Funds	4	4,52,845	—	4,52,845	1.85
(iii) Insurance Companies	1	83,236	—	83,236	0.34
b. Institutional (Foreign)	58	27,62,252	—	27,62,252	11.28
c. Individuals	28,956	37,44,862	—	37,44,862	15.30
d. Body Corporate	208	10,70,500	—	10,70,500	4.37
e. Others	467	59,529	—	59,529	0.24
<b>Total public shareholding</b>	<b>29,701</b>	<b>1,08,39,333</b>	<b>—</b>	<b>1,08,39,333</b>	<b>44.28</b>
<b>Total (A+B)</b>	<b>29,715</b>	<b>2,44,80,443</b>	<b>—</b>	<b>2,44,80,443</b>	<b>100</b>

**m) Dematerialisation of shares and liquidity**

The equity shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Numbers (ISINs) of the Company is INE04TZ01018 obtained from National Securities Depository Limited and Central Depository

Services (India) Limited. As on March 31, 2024 the issued, subscribed and paid-up equity share capital of the Company were held in dematerialized form in the following manner:-

Name of the depository	Number of equity shares	%age holding
National Securities Depository Limited	2,25,10,323	91.95 %
Central Depository Services (India) Limited	19,55,866	7.99 %

**n) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

No GDRs / ADRs / Warrants or any Convertible Instruments have been issued by the Company during the year under review and nothing is outstanding as on March 31, 2024.

**o) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2024.

**p) Fees paid to Statutory Auditors**

During the year under review, following fees was paid to the Statutory Auditors of the Company:-

Particulars	(Amount in ₹ Lacs) Financial Year 2023-24
Statutory audit fee on standalone and consolidated financial statements (Including ICFR report)	18.00
Quarterly Limited review of standalone and consolidated financial results	8.50
Certification work etc.*	7.05
Reimbursement of expenses	1.81
<b>Total</b>	<b>35.36</b>

\* excluding ₹ 72.36 lacs which are considered as part of Offer expenses of issue of shares under QIP.

# The above fee is exclusive of GST.

**q) Credit rating**

The credit rating obtained from ICRA, during the year under review, is as under:-

Fixed Deposits	: [ICRA] A (Stable)
Proposed Working capital facility	: [ICRA] A (Stable)

**r) Store Locations**

The Company has 63 (sixty three) retail stores across 24 (twenty four) cities, 8 (eight) back-end offices, 10 (ten) service centres and 11 (eleven) warehouses. The details of these locations are available at <https://www.ethoswatches.com/locatestore/>

**s) Address and contact details for correspondence**

Anil Kumar  
Company Secretary and Compliance Officer  
Ethos Limited  
Registered office – Plot no. 3, Sector III, Parwanoo, Himachal Pradesh 173 220  
Corporate office – S.C.O. 88-89, Sector 8-C, Madhya Marg, Chandigarh 160 009  
Head Office – Global Gateway Towers A, First Floor, Virendra Gram, MG Road, Near Guru Dronacharya Metro Station, Gurugram, Haryana 122 002  
Telephone no. – 0172-2548223/24  
Email id – [investor.communication@ethoswatches.com](mailto:investor.communication@ethoswatches.com)  
Website – [www.ethoswatches.com](http://www.ethoswatches.com)

## DECLARATION BY THE MANAGING DIRECTOR

[Under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
**Ethos Limited**  
Plot no. 3, Sector III  
Parwanoo, Himachal Pradesh 173 220

I, Yashovardhan Saboo, Chairman and Managing Director of the Company hereby confirm that all the Board members and Senior Management of the Company have affirmed compliance with 'Code of Conduct for Directors and Senior Management', for the financial year ended March 31, 2024.

**For Ethos Limited**

**Yashovardhan Saboo**  
Chairman and Managing Director  
DIN – 00012158

Date : August 23, 2024  
Place : Gurugram

## MD / CFO CERTIFICATE

To,  
The Board of Directors  
**Ethos Limited**  
Plot no. 3, Sector III  
Parwanoo, Himachal Pradesh 173220

**Subject: Certificate pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Yashovardhan Saboo, Chairman and Managing Director and Munish Gupta, Chief Financial Officer of Ethos Limited ('the Company'), hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2024 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and correct view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.
- d) We have indicated to the auditors and Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Ethos Limited**

**Yashovardhan Saboo**  
Chairman and Managing Director  
DIN – 00012158

**Munish Gupta**  
Chief Financial Officer

Date : August 23, 2024  
Place : Gurugram

# Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**Ethos Limited**  
CIN: L52300HP2007PLC030800  
Plot no. 3, Sector III  
Parwanoo, Himachal Pradesh 173 220

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Ethos Limited** having CIN: L52300HP2007PLC030800 and having registered office Plot No. 3 Sector- III Parwanoo – 173 220, Himachal Pradesh, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers (including by way of remote audit), we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs under the Companies Act, 2013.

S. No.	DIN	Name of the Director	Designation	Initial date of appointment
1	00012158	Mr. Yashovardhan Saboo	Chairman and Managing Director	November 5, 2007
2	00012232	Mr. Anil Khanna	Independent Director	November 5, 2007
3	09684474	Mrs. Munisha Gandhi	Independent (Woman) Director	September 27, 2022
4	02276310	Mr. Charu Sharma	Independent Director	November 3, 2022
5	02750717	Mr. Sundeep Kumar	Independent Director	October 6, 2016
6	03042448	Mr. Dilpreet Singh	Independent Director	April 9, 2018
7	08700786	Mr. Manoj Gupta	Executive Director	February 12, 2020
8	00095715	Mr. Chitranjan Agarwal	Non-Executive and Non-Independent Director	April 1, 2022
9	00203165	Mr. Yogen Khosla	Independent Director	January 18, 2024
10	10458966	Mr. Manoj Subramanian	Director	January 18, 2024
11	03391925	Mr. Pranav Shankar Saboo	Director and Chief Executive Officer	January 18, 2024

Ensuring the eligibility of the directors for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**(Jaspreet Singh Dhawan)**

Proprietor

**Jaspreet Dhawan & Associates.**

Company Secretaries  
Membership No: FCS – 9372  
CP No.: 8545  
Peer Review No: 1335/2021  
UDIN: F009372F000956351

Date: August 14, 2024

Place: Mohali

# Corporate Governance Compliance Certificate

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,  
The Members of  
**Ethos Limited**  
(CIN: L52300HP2007PLC030800)  
Plot no. 3, Sector III  
Parwanoo, Himachal Pradesh 173 220

1. We have examined the compliance of conditions of corporate governance by **Ethos Limited** for the year ended March 31, 2024 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us and based on the Audit conducted by us physically and also by way of electronic mode, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations to the extent applicable to it.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**(Jaspreet Singh Dhawan)**

Proprietor

**Jaspreet Dhawan & Associates.**

Company Secretaries  
Membership No: FCS – 9372  
CP No.: 8545  
Peer Review No: 1335/2021  
UDIN: F009372F000957088

Date: August 14, 2024

Place: Mohali

## Annexure - VI

### Form AOC – 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures {Pursuant to first proviso to sub-section 3 of section 129 read with rule 5 of Companies (Accounts) Rules, 2014}

#### Part 'A' : Subsidiaries

(Information in respect of each subsidiary to be presented with amount in ₹ lakhs)

Name of the subsidiary	(₹ in lakhs)	
	Cognition Digital LLP (Wholly owned subsidiary LLP)	RF Brands Private Limited (Wholly owned subsidiary company)
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	March 31, 2024	March 31, 2024
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Indian Rupees	Indian Rupees
Share Capital i.e. Partner's capital contribution	42.93	100.00
Reserves and Surplus	539.09	-
Total assets	660.25	-
Total liabilities	78.22	-
Investments	-	-
Turnover	447.43	-
Profit before taxation	159.80	-
Provision for taxation	56.06	-
Profit after taxation	103.74	-
Proposed Dividend	-	-
% of shareholding	100%	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – RF Brands Private Limited was incorporated on February 2, 2024. The Company is yet to commence its operations.
- Names of subsidiaries which have been liquidated or sold during the year – Silvercity Brands AG was the wholly owned subsidiary body corporate upto March 10, 2024. Pursuant to the recent change in the capital structure of Silvercity Brands AG (the wholly owned subsidiary) due to further allotment of shares, the shareholding of the Company has reduced to 35% from the erstwhile 100%. Owing to this, Silvercity Brands AG ceases to be the wholly owned subsidiary body corporate of the Company. Henceforth, Silvercity Brands AG is identified as an associate of the Company with effect from March 11, 2024.

#### Part 'B' : Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associate	(Rs. in lakhs)	
	Pasadena Retail Private Limited	Silvercity Brands AG
1. Latest audited balance sheet date	March 31, 2024	March 31, 2024
2. Shares of Associate/Joint Venture held by the Company on the year end		
- Number	27,50,000	21,00,000
- Amount of investment in associate/joint venture	275.00	1,919.50
- Extent of holding percentage	50%	35%
3. Description of how there is significant influence	Joint Venture Company	Associate body corporate
4. Reason why the associate/joint venture is not consolidated	Not applicable	Not applicable
5. Net Worth attributable to shareholding as per latest audited balance sheet	381.24	2019.90
6. Profit/Loss for the year		
- Considered in consolidation	74.09	(6.78)
- Not considered in consolidation	-	-

**Notes:** The following information shall be furnished at the end of the statement:

- Names of associates or joint ventures which are yet to commence operations – Not applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Not applicable

## Annexure - VII

### PARTICULARS OF REMUNERATION

Information required under section 197 of the Companies Act, 2013 read with rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of remuneration of Directors to the median remuneration of all the employees of the Company and details of percentage increase in the remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2023-24 are as follows:-

Name of Director and Key Managerial Personnel	Designation	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration in the financial year
Mr. Yashovardhan Saboo	Chairman and Managing Director (KMP)	32.87	35.18%
Mr. Anil Khanna	Independent Director	1.51	Nil
Mr. Sundeep Kumar	Independent Director	0.67	Nil
Mr. Dilpreet Singh	Independent Director	0.80	Nil
Mr. Mohaimin Altaf*	Independent Director	0.40	Not applicable
Mr. Patrik Paul Hoffmann**	Independent Director	0.28	Not applicable
Mr. Manoj Gupta***	Executive Director (KMP)	16.41	20.62%
Mr. Chitranjan Agarwal	Non - Independent and Non- Executive Director	1.09	Nil
Mrs. Munisha Gandhi	Independent (Woman) Director	0.59	Nil
Mr. Charu Sharma	Independent Director	0.27	Nil
Mr. Yogen Khosla^	Independent Director	0.12	Not applicable
Mr. Pranav Shankar Saboo^^	Director and Chief Executive Officer (KMP)	79.78	13.53%
Mr. Manoj Subramanian^^^	Director (KMP)	Not applicable	Not applicable
Mr. Ritesh Kumar Agrawal ~	Chief Financial Officer (KMP)	Not applicable	Not applicable
Mr. Munish Gupta --	Chief Financial Officer (KMP)	Not applicable	Not applicable
Mr. Anil Kumar	Company Secretary and Compliance Officer (KMP)	3.40	24.61%

\*Mr. Mohaimin Altaf retired as an Independent Director of the Company with effect from September 29, 2023.

\*\* Mr. Patrik Paul Hoffmann resigned as an Independent Director of the Company with effect from November 23, 2023.

\*\*\* Mr. Manoj Gupta retired as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2024.

^ Mr. Yogen Khosla was appointed as an Independent Director of the Company with effect from January 18, 2024.

^^ Mr. Pranav Shankar Saboo was appointed as an Additional Director on January 18, 2024 and the members have approved his appointment as Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 1, 2024.

^^^ Mr. Manoj Subramanian was appointed as Additional Director on January 18, 2024 and the members have approved his appointment as an Executive Director (KMP) of the Company with effect from April 1, 2024.

~Mr. Ritesh Kumar Agrawal resigned from the post of Chief Financial Officer (KMP) of the Company with effect from February 15, 2023.

--Mr. Munish Gupta was appointed as the Chief Financial Officer (KMP) of the Company with effect from March 1, 2024.

#### Notes:

- Remuneration to Independent Directors comprises of sitting fees only. Remuneration to Managing Directors, Executive Directors and Key Managerial Personnel comprises of salary, allowances, Company's contribution to provident fund, taxable value of perquisites etc.
- During the financial year 2023-24, the average increase in the remuneration was 10.87%.
- The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2023-24 was 8.47%.
- Average percentage increase made in the salaries of employees other than the key managerial personnel in the financial year was 9.88% whereas the increase in the key managerial personnel remuneration was 10%. The increase in remuneration is as per the policy of the Company.
- There were 617 permanent employees on the roll of Company as at March 31, 2024. This excludes 11 contractual employees as at March 31, 2024.
- The remuneration is as per the Nomination and Remuneration Policy of the Company.
- Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection and any Member interested in obtaining a copy of the same may write to Company at investor.communication@ethoswatches.com from their registered e-mail address.

# Annexure - VIII

## Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134 (3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014

### A. Conservation of energy

(i) the steps taken on conservation of energy -	The Company continues to give high priority to conservation of energy on an ongoing basis through improved operational and maintenance practices. While the business operations of the Company are not energy intensive, the adequate measures have been taken in order to reduce consumption of energy through consumption of renewable energy.
(ii) the steps taken by the Company for utilising alternate sources of energy -	
(iii) the capital investment on energy conservation equipments -	Nil

### B. Technology absorption

(i) the efforts made towards technology absorption -	Not applicable
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution -	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
a) the details of technology imported.	Not applicable
b) the year of import.	
c) whether the technology been fully absorbed.	
d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof.	
(iv) the expenditure incurred on Research and Development	Nil

### C. Foreign Exchange earnings and outgo

	(₹ in lakhs)	
	March 31, 2024	March 31, 2023
Foreign Exchange earnings	967.64	981.12
Foreign Exchange outgo	34,606.11	27,943.91

# Independent Auditor's Report

To the Members of **Ethos Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Ethos Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements

### Key audit matters

#### Inventory (as described in Note 11 of the standalone Ind AS financial statements)

The total value of inventory as at March 31, 2024 is INR 43,969.18 lakhs. These inventories mainly consist of watches at various stores of the Company. The Company has a plan wherein inventory is physically verified on a periodic basis to ascertain the existence of inventory. Also, the Company's management analyses the ageing of inventories to identify slow-moving and obsolete inventories and then estimates the amount of allowance.

We have identified the existence of inventory and allowance of inventories as a key audit matter because of the number of stores at which inventory is kept, and the judgement exercised by the Company's management in identifying the slow-moving and obsolete inventories and assessing the amount of allowance for inventories after considering the nature of the retail industry.

### How our audit addressed the key audit matter

#### Our audit procedures amongst others included the following:

- We evaluated the design and tested the implementation of internal controls relating to physical inventory counts on a test basis, valuation of inventory and allowances for inventory;
- We have assessed the physical verification reports for the verification conducted by the management during the year.
- Observed the stock take process at few stores post year end and reviewed the rollback reconciliation of stock to reconcile with the inventory as at March 31, 2024. We read and assessed Company's accounting policy with regard to inventories and its compliance with applicable accounting standards.
- We analyzed the ageing and quantitative movement to analyze any significant variances.
- We understood how the Company's management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories.
- We performed the substantive testing on the quantitative movement of inventory by selecting samples of sales and purchases made at the retail outlets and also tested the underlying sales to collection reports and bank statements.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We assessed and tested, on sample basis, the value at which the inventory is valued i.e. lower of cost or net realizable value after considering post period sales data, retrospective review of provision for inventory obsolescence, actual write offs, compared whether the watches have a continuing active market and obtain management representation for future salability.</li> <li>We read and assessed the adequacy of relevant disclosures related to inventories in the standalone Ind AS financial statements</li> </ul>

**Accounting of Leases as per Ind AS 116 (as described in Note 36 of the standalone Ind AS financial statements)**

As described in Note 36 to the standalone Ind AS financial statements, the Company is following Ind AS 116 Leases (Ind AS 116 or the 'standard') for accounting various leases entered by the Company. In case of the Company, the application and accounting of leases under Ind AS 116 is complex and is an area of focus in our audit as the Company has a large number of leases with different contractual terms which involves evaluation as per the provisions of Ind AS 116 in case of any changes in terms of existing leases.

Ind AS 116 requires the Company to recognize a right-of-use (ROU) asset and a lease liability arising from a lease arrangement on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Application of the Standard involves significant judgement and estimates including, determination of the discount rates and the lease term.

Additionally, the Standard mandates remeasuring the carrying amount of lease liabilities and right of use assets to reflect any re-assessment or lease modification as per Ind AS 116 for any changes in lease terms.

We have identified accounting of leases as a key audit matter as the application of this Standard is complex considering the number of leases with different contractual terms and adjustment to the carrying amount of lease liabilities and right of use assets on the balance sheet date to reflect changes in terms of existing leases.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

e Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these

**Our audit procedures amongst others included the following:**

- We assessed and tested processes and controls designed and implemented by the Company in respect of the lease accounting standard (Ind AS 116);
- We assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- We have evaluated the basis of determination of lease modification/re-assessment and related adjustments in case of lease terminations/modifications;
- We tested the lease data by evaluating the reconciliation of Company's lease commitments to data used in computing the ROU asset and the lease liabilities provided by the management;
- We read and assessed the key terms and conditions of lease with the underlying lease contracts on a sample basis;
- We have evaluated the computation of lease liabilities and assessed the underlying assumptions, estimates including the applicable discount rates and the lease term.
- We assessed the adequacy of Company's presentation and disclosures related to Ind AS 116.

standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are 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 these standalone Ind AS financial statements.

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 standalone Ind AS financial statements, 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 management.
- Conclude on the appropriateness of management's 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 statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
  - The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

- (g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid /provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 35(i) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone Ind AS financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note \_\_\_\_\_ to the financial statements. Further, we were unable to verify whether any instance of audit trail feature being tampered with happened during the year, as necessary logs in respect of such activity are not available with the Company

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**  
Partner  
Membership Number: 87921  
UDIN: 24087921BKAQCY8242  
Place of Signature: New Delhi  
Date: May 13, 2024

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

Re: Ethos Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (i) (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and no discrepancies were noticed in respect of such confirmations. No discrepancies of 10% or more were noticed on physical verification of inventory.
- (ii) (b) As disclosed in note 18 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

- (iii) (a) During the year the Company has provided loans to employees only. The Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any company, firm, Limited Liability Partnership or any other party. The details of loans provided are as follows:

Particulars	Amount (Rs. in lakhs)
Aggregate amount of loans provided during the year	60.45
Balance outstanding as at balance sheet date in respect of above loans	18.28

- (iii) (b) During the year the investments made and the terms and conditions of the grant of all loans and investments are not prejudicial to the Company's interest.
- (iii) (c) The Company has granted loans to employees only, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans granted to employees which are overdue for more than ninety days.
- (iii) (e) There were no loans granted to employees which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has not provided any loan, guarantee or security as specified under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act in relation to investment made.
- (v) In respect of deposits accepted, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal. Further, the Company has not accepted any amounts which are deemed to be deposits during the year and accordingly, the provisions of clause 3(v) to that extent are not applicable to the Company and hence not commented upon.

- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures

performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

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	22.17	Assessment year 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	729.65	168.19	Assessment year 2013-14, 2014-15, 2017-18, 2021-22	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	43.74	24.34	Assessment year 2019-20, 2020-21	Asst. Director of Income Tax, CPC, Bengaluru
Central Excise Act, 1944	Excise Duty	47.08	1.77	Financial year 2014-15 to June, 2017	Commissioner of Central Tax (Appeals), Mumbai-III
Central Excise Act, 1944	Excise Duty	18.69	-	Financial year 2014-15 to 2016-17	Commissioner of Central Tax (Appeals), Ahemdabad
Goods and Services Tax Act, 2017	GST	12.15	1.01	July 2017 to March 2019	Commissioner of Customs (Appeals), Chennai

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans were applied for the purpose for which the loans were obtained.
- (ix) (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or joint venture.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) however, monies raised during the previous year by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been temporarily invested in deposits with scheduled bank. The maximum amount of idle/surplus funds invested during the year was Rs 19,633.09 lakhs, of which Rs 2,662.84 lakhs was outstanding at the end of the year.
- (x) (b) The Company has complied with provisions of Sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement through qualified institutional placement of shares during the year. The amount raised amounting to Rs. 16,959.64 lakhs which was not required for immediate utilization have been temporarily invested in deposits with scheduled bank and remained unutilized as at the balance sheet date. The Company has not made any preferential allotment or private placement of fully or partially or optionally convertible debentures during the year under audit.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order are not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order are not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of Section 135 of the Act. This matter has been disclosed in note 39 to the financial statements.
- (xx) (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act. This matter has been disclosed in note 39 to the financial statements.
- (xxi) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ETHOS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to these standalone Ind AS financial statements of Ethos Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

A company's internal financial controls with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 24087921BKAQCY8242

Place of Signature: New Delhi

Date: May 13, 2024

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone Ind AS financial statements and such internal financial controls with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



## Standalone Cash Flow Statement for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. OPERATING ACTIVITIES</b>		
Profit before tax	10,857.95	7,976.60
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortization expense	4,806.51	3,452.57
Write off / loss on sale of property, plant & equipment	8.87	-
Profit on Sale of property, plant & equipment (net)	(55.76)	(11.98)
Share of profit in partnership firm	(103.08)	(72.84)
Interest expense	1,593.89	1,402.17
Interest income	(1,806.81)	(1,186.76)
Provisions/liabilities no longer required written back	(165.80)	(146.27)
Unrealized foreign exchange (gain)	(46.36)	(2.15)
Allowance for doubtful debts/(written back)	1.26	(5.73)
Fair value gain on investments carried at fair value through profit or loss	(22.16)	-
Gain on termination of lease contracts	(9.18)	(26.84)
Advances / deposits / Bad debts written off	39.40	15.98
<b>Cash generated from operations before working capital changes</b>	<b>15,098.73</b>	<b>11,394.75</b>
<b>Movements in working capital:</b>		
(Increase)/ Decrease in loans	5.52	(0.34)
(Increase) in other financial assets	(510.51)	(955.43)
(Increase)/ Decrease in other assets	760.20	(1,434.86)
(Increase) in inventories	(9,981.89)	(8,994.00)
(Increase) in trade receivables	(959.21)	(108.22)
Increase in employee benefit obligations	114.20	93.21
Increase in trade payables	176.84	1,217.97
Increase in other financial liabilities	1,019.43	149.81
Increase in other current liabilities	108.38	147.39
<b>Cash flow from operations</b>	<b>5,831.69</b>	<b>1,510.28</b>
Income tax paid (net)	(2,723.08)	(1,989.81)
<b>Net cash (used in)/flow from operating activities (A)</b>	<b>3,108.61</b>	<b>(479.53)</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)	(3,825.16)	(5,663.60)
Proceeds from sale of property, plant and equipment	788.31	71.45
Payment towards purchase of non current investments	(2,074.38)	(157.88)
Investment in bank deposits (having original maturity of more than three months)	(8,370.16)	(20,408.15)
Interest received	1,163.50	753.50
<b>Net Cash (used in) investing activities (B)</b>	<b>(12,317.89)</b>	<b>(25,404.68)</b>
<b>C. FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including premium)	17,499.82	37,500.00
Share issue expenses	(540.18)	(3,531.05)
Proceeds from non-current borrowings	-	178.60
Repayment of non-current borrowings	(107.95)	(3,081.45)
Proceeds from/repayments of other current borrowings (net)	(43.87)	(2,240.36)
Payment of principal portion of lease liabilities	(2,814.86)	(2,402.72)
Interest paid on lease liabilities	(1,511.36)	(1,152.91)
Interest expense paid	(31.58)	(411.43)
<b>Net cash flow from financing activities (C)</b>	<b>12,450.02</b>	<b>24,858.68</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3,240.74</b>	<b>(1,025.53)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,701.41</b>	<b>3,726.94</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>5,942.15</b>	<b>2,701.41</b>

## Standalone Cash Flow Statement for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Notes :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1. Cash and cash equivalents include :		
Balance with banks in current accounts	2,203.58	1,770.11
Cheques and drafts on hand	-	71.94
Cash on hand	245.68	106.53
Credit cards receivable	339.89	252.83
Fixed Deposits with original maturity of less than three months	3,153.00	500.00
<b>Cash and cash balance at the end of the year (Refer Note 13)</b>	<b>5,942.15</b>	<b>2,701.41</b>

- The above cash flow statement has been prepared under indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Refer note 18 for reconciliation of movements of liabilities to cash flows arising from financing activities.
- Refer note 36 for non-cash investing activities in form of additions to right of use assets.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI firm registration no.: 301003E/E300005

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

**Yashovardhan Saboo**  
Chairman and Managing Director  
DIN 00012158

**Anil Khanna**  
Director  
DIN 00012232

**Anil Gupta**  
Partner  
Membership No. 87921

**Munish Gupta**  
Chief Financial Officer

**Pranav Shankar Saboo**  
Managing Director and CEO  
DIN 03391925

**Anil Kumar**  
Company Secretary

Place: New Delhi  
Date: May 13, 2024

Place: Chandigarh  
Date: May 13, 2024

## Standalone Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### a. Equity share capital

Particulars	Note	Number	Amount
<b>Balance as at April 01, 2022</b>		<b>1,90,78,163</b>	<b>1,907.82</b>
Issue of share capital during the year		42,71,070	427.10
<b>Balance as at March 31, 2023</b>	16	<b>2,33,49,233</b>	<b>2,334.92</b>
Issue of share capital during the year		11,31,210	113.12
<b>Balance as at March 31, 2024</b>	16	<b>2,44,80,443</b>	<b>2,448.04</b>

### b. Other Equity

Particulars	Deemed capital contribution	Reserves and surplus			Total
		Capital reserve	Securities premium	Retained earnings	
<b>Balance as at April 01, 2022</b>	<b>50.51</b>	<b>1.67</b>	<b>18,006.46</b>	<b>3,219.58</b>	<b>21,278.22</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance as at April 01, 2022</b>	<b>50.51</b>	<b>1.67</b>	<b>18,006.46</b>	<b>3,219.58</b>	<b>21,278.21</b>
- Profit for the year	-	-	-	5,979.60	5,979.60
- Other comprehensive (loss) (net of tax)	-	-	-	(16.91)	(16.91)
<b>Total comprehensive income for the year</b>	-	-	-	<b>5,962.69</b>	<b>5,962.69</b>
- Issue of equity shares for cash *	-	-	33,541.85	-	33,541.85
<b>Balance as at March 31, 2023</b>	<b>50.51</b>	<b>1.67</b>	<b>51,548.31</b>	<b>9,182.27</b>	<b>60,782.76</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01, 2023	50.51	1.67	51,548.31	9,182.27	60,782.76
- Profit for the year	-	-	-	8,129.21	8,129.21
- Other comprehensive (loss) (net of tax)	-	-	-	(10.08)	(10.08)
<b>Total comprehensive income for the year</b>	-	-	-	<b>8,119.13</b>	<b>8,119.13</b>
- Issue of equity shares for cash **	-	-	16,846.52	-	16,846.52
<b>Balance as at March 31, 2024</b>	<b>50.51</b>	<b>1.67</b>	<b>68,394.82</b>	<b>17,301.40</b>	<b>85,748.40</b>

\* Net of share issue expenses of Rs. 3,531.05

\*\* Net of share issue expenses of Rs. 540.18

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date

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

Chartered Accountants

ICAI firm registration no.: 301003E/E300005

**Anil Gupta**

Partner

Membership No. 87921

Place: New Delhi

Date: May 13, 2024

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

**Yashovardhan Saboo**

Chairman and Managing Director

DIN 00012158

**Munish Gupta**

Chief Financial Officer

**Anil Kumar**

Company Secretary

Place: Chandigarh

Date: May 13, 2024

**Anil Khanna**

Director

DIN 00012232

**Pranav Shankar Saboo**

Managing Director and CEO

DIN 03391925

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 1. Corporate Information

Ethos Limited ('Ethos' or 'the Company'), a subsidiary of KDDL Limited, is a public limited company and was incorporated on November 5, 2007 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Plot No. 3, Sector III, Parwanoo, Himachal Pradesh. The Corporate Identification Number of the Company is L52300HP2007PLC030800.

The Company's business consists of retail trading of premium and luxury watches, accessories and other luxury items and rendering of related after sale services.

The standalone financial statements were approved for issue in accordance with a resolution of the directors on May 13, 2024.

### 2. Material accounting policies

#### 2.1 Basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III).

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The standalone financial statements provide comparative information in respect of the corresponding previous year.

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, up to two places of decimal, unless otherwise indicated.

#### Basis of measurement

The standalone financial statements have been prepared on a historical cost convention on accrual basis, except for certain assets and liabilities that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Company have prepared the standalone financial statements on the basis that they will continue to operate as a going concern.

#### 2.2 Summary of material accounting policies

##### a) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current

classification of assets and liabilities in the balance sheet. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### b) Investment in subsidiaries, associate and joint venture

A subsidiary is an entity that is controlled by another entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its subsidiaries, associates and joint ventures are accounted at cost less impairment.

##### Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

##### c) Property, plant and equipment ('PPE')

##### Recognition and measurement

Property, Plant & Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and accumulated impairment loss, if any.

### Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

- (a) It is probable that future economic benefits associated with the item will flow to the entity, and
- (b) The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date, net of accumulated impairment loss, if any. Advances paid towards acquisition of PPE outstanding at each balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

### Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with related amendments except for office equipments being mobile phones which are depreciated over the estimated life of two years and furniture & fixture of display furniture at stores which are depreciated over the estimated life of three years from the date of capitalization on the basis of internal evaluation by the management basis which the management believes that this useful life best represents the period over which these asset will be used.

Depreciation on improvements carried out on buildings taken on lease is provided for the lease term or useful life of assets, whichever is lower. Refer lease policy under section of leases below for period of leases.

On an item of property, plant and equipment discarded during the year, accelerated depreciation is provided

upto the date on which such item of property, plant and equipment is discarded.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

## d) Intangible assets

### Acquired Intangible

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in statement of profit and loss. The estimated useful life of Computer Software (ERP), Business Intelligence software, Application and Website is 6 years.

Intangible assets with indefinite useful lives such as Brands are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

## e) Inventories

Inventories comprises of traded goods are valued at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories less duties and taxes those are recoverable from government authorities, and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

## f) Retirement and other employee benefits

### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages and bonus etc., if the Company has a present legal or constructive obligation to pay this amount as a result of past service

provided by the employee, and the amount of obligation can be estimated reliably.

### Post-employment benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). Remeasurements are not reclassified to profit or loss in subsequent periods. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then- net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Compensated absences

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise. The Company presents the leave liability as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

### h) Financial guarantee contracts

Financial guarantee contracts are recognised as a deemed equity contribution if no premium was paid when guarantee is received. Deemed equity contribution is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

### i) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

### j) Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

### k) Revenue from contract with customers

The Company earns revenue primarily from retail trading of premium and luxury watches, accessories and other luxury items and rendering of related after sale services. The Company has concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue is recognized upon transfer of control of promised products sold or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price the Company uses third-party prices for similar deliverables or the Company uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the products sold and services rendered.

### Sale of goods

Revenue on sale of goods are recognized when the customer obtains control of the specified asset. The Company considers whether there are other promises in the contract that are separate performance obligations to which a

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

portion of the transaction price needs to be allocated (e.g. customer loyalty points).

### Variable Consideration

If the consideration in a contract includes the variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide the customers with a right of return the goods within a specified period.

The Company uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

### Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' right of return. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

### Customer loyalty programmes

For customer loyalty programmes, the transaction price in respect of initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Company has fulfilled its obligations to supply the discounted products

under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

### Sale of services

Revenue from services rendered is recognised in profit or loss as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes at the time of completion of service.

### Contract balances

#### Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section of Financial instruments – initial recognition and subsequent measurement.

### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

### l) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### n) Taxes

Income tax expenses comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences and

in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the standalone financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Sales tax/Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales tax / GST tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### o) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement

of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 2 to 10 years
- Furniture 4 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section Impairment of non-financial assets.

#### Lease Liabilities

At the commencement date of the lease, the Company recognized lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### p) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, all financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section of Revenue from contracts with customers. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments designated at fair value through other comprehensive income (FVOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable adoption to present subsequent changes in the fair value under other comprehensive income subsequent changes in the fair value. The Company makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Profit or Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit or Loss.

#### Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 180 days or more;

- the restructuring of a loan or advance by the Company on terms that the Company would not consider

otherwise;

- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 months expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.



## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank

overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### q) Impairment of non-financial assets

The Company's non-financial assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

### r) Foreign currency transactions

#### Initial recognition

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

#### Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the

Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer/Managing Director as Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

### t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### u) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### v) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### w) Measurement of fair values

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the respective notes.

## 2.3 Changes in accounting policies and disclosures

### New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

#### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

#### (ii) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

## 2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 2.2 (c) – Assessment of useful life of Property, plant and equipment
- Note 2.2 (d) – Assessment of useful life of Intangible assets
- Note 2.2 (g) and (i) – Provisions and contingent liabilities
- Note 2.2 (n) – Income taxes

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2024 is included in the following notes:

#### a) Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly

sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates for the respective countries.

#### b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Refer Note 2.2 (n) and 9- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

#### c) Contingencies

Refer Note 35 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources;

#### d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Refer Note 2.2 (p)– Impairment test of non-financial assets: key assumptions underlying recoverable amounts;

e) **Determining the lease term of contracts with renewal and termination options – Company as lessee:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Leases – Estimating the incremental borrowing rate:**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the

right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

f) **Useful life of Property, plant and equipment and intangibles:**

The management estimates the useful life and residual value of property, plant and equipment and other intangible assets. These assumptions are reviewed at each reporting date.

g) **Provision for slow and obsolete inventory:**

The Company is in business of trading of watches, accessories & luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the Company. The Company on a periodic basis and at each reporting date assess the inventory age listing to identify slow-moving allowance and obsolete inventories and then estimates the amount of inventory provision. In doing so, it estimates the net realisable value of aged inventory based on current selling price of such/similar aged inventory and likely sales volume based discount offered and past sales trend. Also, the Company reviews catalogues of various brands to verify whether all inventory items are appearing in them.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 3. Property, plant and equipment and capital work-in-progress

Particulars	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount (at deemed cost/ cost)</b>							
Balance as at April 01 2022	2,723.07	353.35	2,178.29	442.21	398.04	6,094.96	-
Additions during the year	933.43	53.60	730.83	223.40	608.91	2,550.17	401.45
Disposals/Capitalisation during the year	(234.41)	(30.83)	(128.84)	(120.19)	(85.00)	(599.27)	-
<b>Balance as at March 31, 2023</b>	<b>3,422.09</b>	<b>376.12</b>	<b>2,780.28</b>	<b>545.42</b>	<b>921.95</b>	<b>8,045.86</b>	<b>401.45</b>
Additions during the year	1,021.76	25.53	992.35	264.40	1,070.02	3,374.06	1,071.87
Disposals/Capitalisation during the year	(107.90)	(0.07)	(21.78)	(42.72)	(1,165.16)	(1,337.63)	(771.52)
<b>Balance as at March 31, 2024</b>	<b>4,335.95</b>	<b>401.58</b>	<b>3,750.85</b>	<b>767.10</b>	<b>826.81</b>	<b>10,082.29</b>	<b>701.79</b>
<b>Accumulated Depreciation</b>							
Balance as at April 01 2022	1,315.22	45.19	715.94	234.44	111.93	2,422.72	-
Depreciation charge for the year	418.16	21.46	257.46	110.70	77.37	885.15	-
Accumulated depreciation on disposals	(234.41)	(30.83)	(126.45)	(107.11)	(41.00)	(539.80)	-
<b>Balance as at March 31, 2023</b>	<b>1,498.97</b>	<b>35.82</b>	<b>846.95</b>	<b>238.03</b>	<b>148.30</b>	<b>2,768.07</b>	-
Depreciation charge for the year	650.81	27.59	394.01	162.36	120.00	1,354.77	-
Accumulated depreciation on disposals	(107.90)	(0.07)	(18.93)	(17.04)	(155.56)	(299.50)	-
<b>Balance as at March 31, 2024</b>	<b>2,041.88</b>	<b>63.34</b>	<b>1,222.03</b>	<b>383.35</b>	<b>112.74</b>	<b>3,823.34</b>	-
<b>Net carrying amount</b>							
<b>At March 31, 2023</b>	<b>1,923.12</b>	<b>340.30</b>	<b>1,933.33</b>	<b>307.39</b>	<b>773.65</b>	<b>5,277.79</b>	<b>401.45</b>
<b>At March 31, 2024</b>	<b>2,294.07</b>	<b>338.24</b>	<b>2,528.82</b>	<b>383.75</b>	<b>714.07</b>	<b>6,258.95</b>	<b>701.79</b>

**Notes:**

- Refer note 18 for information on property, plant and equipment pledged as security by the Company.
- Refer note 35 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Addition amount is net of reimbursement received for property, plant and equipment of Nil as at March 31, 2024 (March 31, 2023: Rs. 1.09) from brands.
- Deletion amount includes re-imbursement received for property, plant and equipment of Nil as at March 31, 2024 (March 31, 2023: Rs. 2.36) from brands.
- The Company has capitalized following expenses to the cost of property, plant and equipment/capital work-in-progress (CWIP) in relation to stores opened/in process of opening.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balances brought forward</b>	<b>41.85</b>	-
Rent	59.79	95.98
Power and fuel	2.62	1.56
Rates and taxes	8.80	27.17
Repair and maintenance - Others	10.30	24.15
Legal and professional fees	5.47	29.98
<b>Sub Total</b>	<b>128.83</b>	<b>178.84</b>
Less: Allocated to property, plant and equipment	(96.21)	(136.99)
<b>Closing balance included under Capital Work in Progress</b>	<b>32.62</b>	<b>41.85</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 3. Property, plant and equipment and capital work-in-progress (Contd..)

#### Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2024	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress*	698.97	2.82	-	-	701.79
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>698.97</b>	<b>2.82</b>	<b>-</b>	<b>-</b>	<b>701.79</b>

As at March 31, 2023	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress*	401.45	-	-	-	401.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>401.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401.45</b>

\* Capital work in progress is related to opening of new stores based on nature of business.

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2023-24 and 2022-23.

### 4. Intangible assets and Intangible assets under development

Particulars	Brand**	Business Intelligence and Application**	Website	Computer Softwares	Total	Intangible assets under development*
<b>Gross carrying amount (at deemed cost/ cost)</b>						
Balance as at April 01, 2022	-	51.14	41.90	51.10	144.14	-
Additions during the year	4,017.00	-	-	6.34	4,023.34	-
Disposals/Capitalisation during the year	-	-	-	(1.14)	(1.14)	-
<b>Balance as at March 31, 2023</b>	<b>4,017.00</b>	<b>51.14</b>	<b>41.90</b>	<b>56.30</b>	<b>4,166.34</b>	-
Additions during the year	-	60.73	-	-	60.73	215.20
Disposals/Capitalisation during the year	-	-	-	-	-	(60.73)
<b>Balance as at March 31, 2024</b>	<b>4,017.00</b>	<b>111.87</b>	<b>41.90</b>	<b>56.30</b>	<b>4,227.07</b>	<b>154.47</b>
<b>Accumulated Amortisation</b>						
Balance as at April 01, 2022	-	21.27	21.00	35.57	77.84	-
Amortisation for the year	-	8.52	6.98	3.49	18.99	-
Accumulated amortisation on disposals	-	-	-	(1.14)	(1.14)	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>29.79</b>	<b>27.98</b>	<b>37.92</b>	<b>95.69</b>	-
Amortisation for the year	-	9.39	7.00	3.86	20.25	-
Accumulated amortisation on disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>39.18</b>	<b>34.98</b>	<b>41.78</b>	<b>115.94</b>	-
<b>Net carrying amount</b>						
<b>At March 31, 2023</b>	<b>4,017.00</b>	<b>21.35</b>	<b>13.92</b>	<b>18.38</b>	<b>4,070.65</b>	-
<b>At March 31, 2024</b>	<b>4,017.00</b>	<b>72.69</b>	<b>6.92</b>	<b>14.52</b>	<b>4,111.13</b>	<b>154.47</b>

\* includes upgradation of ERP and Business Centre (BC)

\*\* includes capitalisation of salary of application development team.

#### Note:

Refer note 35 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 4. Intangible assets and Intangible assets under development (Contd..)

#### Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2024	Amount in IAUD for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	154.47	-	-	-	154.47
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>154.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.47</b>

As at March 31, 2023	Amount in IAUD for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2023-24 and 2022-23.

There are no restrictions over the title of the Company's intangible assets, nor any intangible assets pledged as security for liabilities.

#### \*\*\* Impairment Testing of Brand (Ethos)

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. 4017.

The Company performed its annual impairment test for the year ended March 31, 2024. The recoverable amount of Intangible Asset (Brand) as at March 31, 2024 was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:	As at	As at
	March 31, 2024	March 31, 2023
i) Discount Rate <sup>(a)</sup>	10.00%	10.00%
ii) Growth Rate <sup>(b)</sup>	15.00%	15.00%

(a) Discount rate: Discount rate represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors.

(b) Growth rate is based on the Company's projection of business and growth of the industry

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the Brand's recoverable amount would fall below its carrying amount.

### 5. Investments^

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Non-current investment</b>		
<b>Subsidiary:</b>		
Unquoted investment		
- Cognition Digital LLP, Partnership firm (at cost) <sup>(a)</sup>	42.94	42.94
- Silvercity Brands AG (at Cost), Nil (March 31, 2023: 50,000) equity shares of CHF 1 each fully paid up <sup>(b)</sup>	-	45.12

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 5. Investments<sup>^</sup> (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
- RF Brands Pvt. Ltd. (at cost), 10,00,000 equity shares (March 31, 2023: Nil) of Rs. 10 each fully paid up <sup>(c)</sup>	100.00	-
- Share of profit receivable from Partnership firm	539.09	436.01
	<b>682.03</b>	<b>524.07</b>
<b>In equity shares of Associate:</b>		
Unquoted, fully paid up		
- Silvercity Brands AG (at Cost), 21,00,000 equity shares of CHF 1 each fully paid up <sup>(b)</sup>	1,919.50	-
<b>In equity shares of Joint venture:</b>		
Unquoted, fully paid up		
- Pasadena Retail Private Limited	275.00	175.00
27,50,000 equity shares of Rs. 10 each fully paid up (March 31, 2023: 17,50,000 equity shares of Rs. 10 each fully paid up) <sup>(d)</sup>		
<b>Other Investment</b>		
<b>(Investment carried at Fair value through profit or loss)</b>		
Unquoted, fully paid up		
- Haute-rive Watches SA, 8,19,672 equity shares of CHF 0.01 each. <sup>(e)</sup>	134.92	-
	<b>3,011.45</b>	<b>699.07</b>
Aggregate value of unquoted investments	3,011.45	699.07

<sup>^</sup> Refer Note 40

#### a) Investment in Congnition Digital LLP

As at March 31, 2024	Total capital contribution	Share %
Partners:		
- Company	42.94	99.99
- Mr. Pranav Shankar Saboo (beneficial owner is Company)	-	0.01
	<b>42.94</b>	<b>100.00</b>
As at March 31, 2023	Total capital contribution	Share %
Partners:		
- Company	42.94	99.99
- Mr. Pranav Shankar Saboo (beneficial owner is Company)	-	0.01
	<b>42.94</b>	<b>100.00</b>

b) During the previous year ended March 31, 2023, the Company had acquired 100% stake in Silvercity Brands AG, the Swiss stock corporation having its registered seat in Grenchen, Switzerland from Philipp Schaller, c/o Badertscher Rechtsanwälte AG Mühlebachstrasse 32 8008 Zürich. The Share Capital of the company was CHF 100,000, divided into 100,000 registered shares with a nominal value of CHF 1 each and paid-up Share Capital was 50,000 shares for CHF 1 each. The purchase consideration for acquisition of shares was at CHF 50,000 in an all-cash deal. The Company paid CHF 50,000 on March 31, 2023. Silvercity Brands AG was wholly owned subsidiary company of Ethos Limited as on March 31, 2023.

During the year ended March 31, 2024, the Company has further infused CHF 20,50,000, for issue of 20,50,000 registered shares with nominal value of CHF 1 each in Silvercity Brands AG. As on date, Company holds 21,00,000 equity shares of CHF 1 each (equivalent to Rs. 1,919.50) in Silvercity Brands AG

There was a change in the capital structure of Silvercity Brands AG (the wholly owned subsidiary) due to further allotment of 39,00,000 shares of nominal value of CHF 1 each, the shareholding of the Company has reduced to 35% from the erstwhile 100%. Owing to this, Silvercity Brands AG ceases to be the wholly owned subsidiary body corporate of the Company with effect from March 11, 2024. Henceforth, Silvercity Brands AG shall be identified as an associate of the Company.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 5. Investments<sup>^</sup> (Contd..)

- c) The Company has incorporated a wholly owned subsidiary, namely RF Brands Private Limited on February 02, 2024 in accordance with the provisions of Companies Act, 2013 read with rules made thereunder and has invested an amount of Rs. 100 in its paid up share capital by subscribing to 10,00,000 equity shares of Rs. 10 each.
- d) The Company has further invested an amount of Rs. 100 in the paid up share capital of its joint venture company namely, Pasadena Retail Private Limited by subscribing to 10,00,000 equity shares of Rs. 10 each through Rights Issue. During the year ended March 31, 2024, the Company owns 50% shareholding (March 31, 2023: 50%) in Pasadena Retail Private Limited.
- e) The Company has acquired 6.25% of equity shares, in Switzerland based Company HAUTE-RIVE WATCHES SA, a new specialized watch making brand having registered office at Chemin des Virettes 11, Corcelles, NE for the consideration of CHF 1,25,000 (equivalent to Rs. 112.76). The Company received the letter for allotment of equity shares on April 28, 2023.

### 6. Loans<sup>^</sup> (at amortised cost)

#### i) Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(unsecured, considered good)</b>		
Loan to employees		
- to related party <sup>**</sup> (refer note no. 37)	0.70	-
- to others	1.00	5.67
	<b>1.70</b>	<b>5.67</b>

#### ii) Current

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(unsecured, considered good)</b>		
Loan to employees		
- to related party (refer note no. 37)	7.48	-
- to others	16.25	25.28
	<b>23.73</b>	<b>25.28</b>

<sup>^</sup>The Company's exposure to credit and currency risk, and loss allowances related to other non current financial assets are disclosed in note 32.

### 7. Other financial assets (at amortised cost)

#### i) Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>		
Security deposits	1,992.44	1,469.00
Fixed Deposits with remaining maturity of more than 12 months from the Balance sheet date <sup>#</sup>	822.20	865.45
Interest accrued but not due on fixed deposits.	2.35	4.80
Application Money in a company <sup>##</sup>	-	112.76
	<b>2,816.99</b>	<b>2,452.01</b>

<sup>#</sup> These deposits include restricted bank deposits amounting to Rs.821.99 (March 31, 2023 : Rs.115.24) on account of deposits pledged as security for bank guarantees, security for cash credit facilities and earmarked against deposit from shareholders.

<sup>##</sup> The Company has applied for equity rights of 6.25%, Switzerland based Company "HAUTE-RIVE WATCHES SA".

The Company has received the letter for allotment of equity shares on April 28, 2023.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 7. Other financial assets (at amortised cost) (Contd..)

#### ii) Current

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good unless otherwise stated)</b>		
Security deposits	744.30	969.99
Right of return assets	21.31	6.84
Interest accrued but not due on fixed deposits <sup>1</sup>	819.69	323.26
Advances Recoverable		
- to related parties (refer note no. 37)	99.53	-
- to others.	176.42	204.87
Others <sup>2</sup>	300.22	-
Less: Allowance for bad and doubtful advances recoverable		
- Advances Recoverable	-	(10.51)
	<b>2,161.47</b>	<b>1,494.45</b>

<sup>1</sup> Includes interest on unutilised proceeds from Initial Public Offer (IPO) received amounting to Rs. 2.50 (March 31, 2023: Rs. 306.25) which have been temporarily invested in deposits with scheduled banks. Refer note 46.

And also includes interest for the period from Nov 03, 2023 to March 31, 2024 on unutilised proceeds from Qualified institutional placement (QIP) received amounting to Rs.458.22 which have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank and monitoring agency bank account. Refer note 47.

<sup>2</sup> represents consideration receivable towards sale of vehicle.

### 8. Non-current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current tax assets (net of provision)	206.61	231.82
	<b>206.61</b>	<b>231.82</b>

### 9. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Significant components of the Company's net deferred tax assets are as follows:		
Deferred tax assets	3,883.56	3,310.58
Deferred tax liabilities	(2,986.91)	(2,464.57)
<b>Net deferred tax assets</b>	<b>896.65</b>	<b>846.01</b>

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Year ended March 31, 2024</b>				
<b>Deferred tax assets:</b>				
<b>Deferred tax assets on</b>				
Property, plant and equipment and Intangible assets	192.52	(21.42)	-	171.10
Allowance for doubtful debts and advances	4.76	0.32	-	5.08
Provision for employee benefits	239.23	(50.17)	3.39	192.45
Provision - other expenses	38.57	(3.72)	-	34.85
Lease liabilities	2,829.95	640.96	-	3,470.91
Others <sup>#</sup>	5.55	3.62	-	9.17

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 9. Deferred tax assets (net) (Contd..)

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax liability on</b>				
Claim receivable taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
Gain on investments carried at fair value through profit or	-	(5.58)	-	(5.58)
Right of use assets	(2,457.30)	(516.75)	-	(2,974.06)
<b>Net deferred tax assets</b>	<b>846.01</b>	<b>47.26</b>	<b>3.39</b>	<b>896.65</b>

<sup>#</sup> Include primarily deposits amortisation, interest income thereon as per Ind AS 109 and overdue amount of MSME payables.

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Year ended March 31, 2023</b>				
<b>Deferred tax assets:</b>				
<b>Deferred tax assets on</b>				
Property, plant and equipment and Intangible assets	379.48	(186.96)	-	192.52
Allowance for doubtful debts and advances	13.50	(8.74)	-	4.76
Provision for employee benefits	137.44	96.10	5.69	239.23
Provision - other expenses	37.95	0.62	-	38.57
Lease liabilities	2,539.03	290.92	-	2,829.95
Others <sup>#</sup>	4.53	1.02	-	5.55
<b>Deferred tax liability on</b>				
Claim receivable taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
Right of use assets	(2,210.68)	(246.63)	-	(2,457.30)
<b>Net deferred tax assets</b>	<b>893.98</b>	<b>(53.66)</b>	<b>5.69</b>	<b>846.01</b>

<sup>#</sup> Include primarily deposits amortisation and interest income thereon as per Ind AS 109.

### 10. Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>		
Capital advances	295.73	144.05
Advances other than capital advances		
- Prepaid expenses	6.47	7.06
- CENVAT credit receivable	55.57	104.13
	<b>357.77</b>	<b>255.24</b>

### 11. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(At lower of cost and net realisable value)</b>		
Stock-in-trade [including goods-in-transit Rs.97.66 (March 31, 2023: Rs.120.75)]	43,969.18	33,987.29
	<b>43,969.18</b>	<b>33,987.29</b>

#### Notes:-

- As on March 31, 2024, Rs.132.44 (March 31, 2023: Rs.40.40) was recognised as an expense for inventories carried at net realisable value.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 11. Inventories (Contd..)

2. The Company mainly is in business of retail trading of premium and luxury watches, accessories & other luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the Company. The Company on a periodic basis physically verifies the inventory and makes an assessment of the inventory age listing to identify the slow-moving and obsolete inventories. The exercise has been carried out throughout the year and also at the year end. Considering the fact that, the Company mainly is into the business of trading of high-end luxury watches, the holding period for the same is higher and identification of slow-moving and obsolete inventories involved judgements considering the nature of the retail industry.

### 12. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good unless otherwise stated)</b>		
Trade receivables #		
- Related parties (Refer note no 37)	94.79	220.12
- Others	1,462.40	397.62
	<b>1,557.19</b>	<b>617.74</b>

#### Break-up of trade receivables:

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
Considered good	1,557.19	617.74
Credit impaired	15.68	3.91
	<b>1,572.87</b>	<b>621.65</b>
Impairment Allowance (allowance for doubtful debts)		
Credit impaired	(15.68)	(3.91)
	<b>1,557.19</b>	<b>617.74</b>

Trade receivables are non-interest bearing and generally on terms of 0 to 120 days.

There are due from Director amounting Rs. 22.14 (March 31, 2023: Rs. 28.64). There are also due from private companies in which Director is partner, director or member amounting Nil (March 31, 2023: Rs. 152.03)

There are no unbilled receivables, hence the same is not disclosed in ageing schedule.

#### Trade receivables ageing schedule

As at March 31, 2024	Outstanding for following periods from date of transaction					Total
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	
Undisputed Trade Receivable - considered good	1,467.43	79.47	10.29	-	-	1,557.19
Undisputed Trade Receivable- which have significant increase in credit risk	15.68	-	-	-	-	15.68
<b>Total</b>	<b>1,483.11</b>	<b>79.47</b>	<b>10.29</b>	<b>-</b>	<b>-</b>	<b>1,572.87</b>
As at March 31, 2023	Outstanding for following periods from date of transaction					Total
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	
Undisputed Trade Receivable - considered good	443.93	10.27	0.02	-	163.52	617.74
Undisputed Trade Receivable- which have significant increase in credit risk	3.91	-	-	-	-	3.91
<b>Total</b>	<b>447.84</b>	<b>10.27</b>	<b>0.02</b>	<b>-</b>	<b>163.52</b>	<b>621.65</b>

# The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 32.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 13. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in		
- Current accounts	2,203.58	1,770.11
- Fixed Deposits with original maturity of less than three months**	3,153.00	500.00
Cheques and drafts on hand	-	71.94
Cash on hand	245.68	106.53
Others		
- Credit cards receivable	339.89	252.83
	<b>5,942.15</b>	<b>2,701.41</b>

\* Balance as on March 31, 2024 includes Rs. 59.84 (March 31, 2023: Rs. 133.09) balance of unutilised Initial Public Offer (IPO) proceed with monitoring agency bank account. Refer note 46.

Balance as on March 31, 2024 includes Rs. 0.64 balance of unutilised Qualified Institutional Placement (QIP) proceed with monitoring agency bank account. Refer note 47.

\*\* Fixed deposits include balance of Initial Public Offer (IPO) proceeds of Rs.2,603 (March 31, 2023: Rs. 500) which will be utilised as stated in the prospectus of IPO. Net unutilised proceeds from IPO as on March 31, 2024 have been temporarily invested in deposits with scheduled bank. Refer note 46.

### 14. Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance sheet date #	28,181.02	19,767.61
	<b>28,181.02</b>	<b>19,767.61</b>

# These deposits include restricted bank deposits amounting to Rs.1,024.80 (March 31, 2023 : Rs. 473.45) on account of deposits pledged as security for bank guarantees, security for cash credit facilities and earmarked against deposits from shareholders. Also, fixed deposits include balance of qualified institutional placement (QIP) proceeds of Rs.16,959 which will be utilised as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on March 31, 2024 have been temporarily invested in deposits with scheduled bank. Refer note 47.

Balance as on March 31, 2023 includes, Rs. 19,000 received on account of Initial Public Offer (IPO)

### 15. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good unless otherwise stated)</b>		
Prepaid expenses	69.89	52.82
Advances for supply of goods		
- Related parties (Refer note 37)	0.35	1,372.57
- Others	825.57	484.07
Advances to employees		
- Related parties (Refer note 37)	-	6.35
- Others	42.99	27.95
GST credit receivable	3,073.61	2,797.84
VAT recoverable	3.40	3.40
Deposit under protest	52.53	52.53
Duty Credit Scrips	23.57	16.17
Other recoverable#	56.89	46.15
Less: Allowance for bad and doubtful advances/recoverable		
- Advance for supply of goods	(4.49)	(4.49)
	<b>4,144.31</b>	<b>4,855.36</b>

# mainly includes amount recoverable from insurance company.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 16 . Share capital

Particulars	As at March 31, 2024	
	Number of shares	Amount
<b>Authorised</b>		
Equity shares of Rs. 10 each	3,07,00,000	3,070.00
14% cumulative compulsory convertible preference shares of Rs.130 each	5,76,924	750.00
12% cumulative redeemable preference shares of Rs.110 each	12,00,000	1,320.00
12% non-cumulative redeemable preference shares of Rs.100 each	10,00,000	1,000.00
	<b>3,34,76,924</b>	<b>6,140.00</b>
Issued, subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	<b>2,44,80,443</b>	<b>2,448.04</b>

Particulars	As at March 31, 2023	
	Number of shares	Amount
<b>Authorised</b>		
Equity shares of Rs. 10 each	3,07,00,000	3,070.00
14% cumulative compulsory convertible preference shares of Rs.130 each	5,76,924	750.00
12% cumulative redeemable preference shares of Rs.110 each	12,00,000	1,320.00
12% non-cumulative redeemable preference shares of Rs.100 each	10,00,000	1,000.00
	<b>3,34,76,924</b>	<b>6,140.00</b>
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,33,49,233	2,334.92
	<b>2,33,49,233</b>	<b>2,334.92</b>

#### (a) Right preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The voting rights of an equity shareholder on show of hand or through proxy shall be in proportion to his share of the paid up capital of the Company. The Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors (Except for interim dividend) is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (b) Reconciliation of shares outstanding

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	2,33,49,233	2,334.92
Add: Issued during the year*	11,31,210	113.12
<b>At the end of the year</b>	<b>2,44,80,443</b>	<b>2,448.04</b>

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	1,90,78,163	1,907.82
Add: Issued during the year**	42,71,070	427.11
<b>At the end of the year</b>	<b>2,33,49,233</b>	<b>2,334.93</b>

\* During the current year, the Company has issued and allotted 11,31,210 Equity Shares of face value of Rs. 10 each at an issue price of Rs. 1.547 per share (including securities premium of Rs. 1.537 per share) aggregating to Rs. 17,499.82 under Qualified Institution Placement (QIP)

Consequent to allotment of aforesaid equity shares on November 3, 2023, the paid-up equity share capital of the Company stands increased from Rs. 2,334.92 consisting of 2,33,49,233 equity shares of Rs. 10 each to Rs. 2,448.04 consisting of 2,44,80,443 Equity Shares of Rs. 10 each. Refer Note 47.

\*\* During the previous year, the Company has issued and allotted 42,71,070 Equity Shares of Rs.10 each pursuant to Initial Public Offering at a securities premium of Rs.868 per share under Fresh Issue and offer for sale of 3,10,430 Equity Shares at an Offer Price of Rs.878 per Equity Share, to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorized representative of BSE Limited. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022. Refer Note 46.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 16 . Share capital (Contd..)

#### (c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by KDDL Limited (holding company and ultimate holding company)	1,15,13,877	1,151.39
Mahen Distribution Limited (fellow subsidiary)	16,64,534	166.45

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by KDDL Limited (holding company and ultimate holding company)	1,19,79,507	1,197.95
Mahen Distribution Limited (fellow subsidiary)	22,79,142	227.91

#### (d) Particulars of shareholders holding more than 5% shares of the Company

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by KDDL Limited	1,15,13,877	47.03%
Mahen Distribution Limited	16,64,534	6.80%
ICICI Prudential Flexicap Fund	14,74,878	6.02%

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by KDDL Limited	1,19,79,507	51.31%
Mahen Distribution Limited	22,79,142	9.76%
ICICI Prudential Flexicap Fund	14,60,304	6.25%

#### (e) Bonus shares, shares buyback and issue of shares without consideration being received in cash (during five years immediately preceding March 31, 2024).

During the five years immediately preceding March 31, 2024 ('the period'), neither any bonus shares have been issued nor any shares have been bought back. In addition, during the period, no shares have been issued for consideration other than cash except as follows:-

- During the year ended March 31, 2020, 576,293 14% cumulative compulsory convertible preference shares of Rs.130 each were converted into 576,923 equity shares of Rs.10 each at a premium of Rs.120 per share. Further, 15,000 equity shares of Rs.10 each had been issued under employee stock option plans for which only exercise price had been received in cash.
- During the year ended March 31, 2022, 104,750 equity shares of Rs.10 each had been issued under employee stock option plan for which only exercise price had been received in cash.

#### (f) Promoters Shareholdings

Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2024		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,15,13,877	47.03%	(4.27%)
2) Mahen Distribution Limited	16,64,534	6.80%	(2.96%)
3) Mr. Yashovardhan Saboo	138	0.00%	(0.64%)
<b>Total</b>	<b>1,31,78,549</b>	<b>53.83%</b>	



## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 16. Share capital (Contd..)

Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2023		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,19,79,507	51.31 %	(12.22%)
2) Mahen Distribution Limited	22,79,142	9.76 %	(2.26%)
3) Mr. Yashovardhan Saboo	1,50,138	0.64 %	(1.34%)
<b>Total</b>	<b>1,44,08,787</b>	<b>61.71%</b>	

### 17. Other equity

(also refer to Statement of Changes in Equity)

#### (i) Deemed capital contribution

- Includes Rs.14.51 towards fair value of guarantees given by the holding company in the earlier years.
- Includes Rs.36.00 towards interest accrued on 12% cumulative redeemable preference shares, classified as finance cost, which is no longer payable at the time of redemption.

Nature and purpose of reserves

#### (ii) Capital reserve

Reserve created under the scheme of arrangement (Business Combination). This will be utilised in accordance with the provisions of the Companies Act, 2013.

#### (iii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilised in accordance with the provisions of the Companies Act, 2013.

The Company, at its IPO meeting held on May 26, 2022 approved allotment of 42,71,070 Equity Shares of Rs.10 each pursuant to Initial Public Offering at a securities premium of Rs.868 per share under Fresh Issue and offer for sale of 3,10,430 Equity Shares at an Offer Price of Rs.878 per Equity Share, to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorized representative of BSE Limited. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022. The total offer expenses in relation to share issued amounting to Rs.3,531.05 has been adjusted against securities premium. Refer Note 46.

The Company, at its QIP meeting held on November 03, 2023 approved allotment of 11,31,210 Equity Shares of Rs.10 each pursuant to Qualified institutional placement at a securities premium of Rs.1,537 per share under Private Placement, to eligible qualified institutional buyers. The total offer expenses in relation to share issued amounting to Rs.540.18 has been adjusted against securities premium. Refer Note 47.

#### (iv) Retained earnings

Retained earnings are the profit that the Company has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 18. Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Non-current borrowings</b>		
Term-loans		
From banks (secured) (a)	20.13	118.08
Deposits from shareholders (unsecured)(refer to note 37 for related party disclosure) (b)	627.07	637.07
<b>Total non-current borrowings (including current maturities)</b>	<b>647.20</b>	<b>755.15</b>
Less : Current maturities of non-current borrowings [refer to note 18 (ii)]	(459.04)	(43.38)
	<b>188.16</b>	<b>711.77</b>

#### Notes:

- Vehicle loans from banks amounting to Rs.20.13 (March 31, 2023: Rs.118.08 ) are secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loans varies from 7.10% to 9.25% per annum (March 31, 2023: 7.10% to 9.25%). The above loans are repayable in monthly instalments within a period of next one to three years as per repayment schedule.
- Deposits from Shareholders carry an interest rate ranging between 10.25% to 10.75% (March 31, 2023: 10.25% to 10.75%) per annum and carry a maturity period from 24 to 36 months from the respective date of deposits.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>ii) Current borrowings</b>		
Other Loans		
- Deposits from shareholders (unsecured) (refer to note 37 for related party disclosure) (c)	-	43.87
Current maturities of non-current borrowings [refer note 18(i)]	459.04	43.38
	<b>459.04</b>	<b>87.25</b>

#### Notes

- The fixed rate of interest on deposit from shareholders for maturity period of one year in the current year is Nil (March 31, 2023: 9.50% per annum).
- The Company has filed quarterly statements of current assets with the banks in agreement with the books of accounts.

#### Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Balance as at the beginning of the year (including current and non-current borrowings)</b>	<b>799.02</b>	<b>5,942.23</b>
Proceeds from non-current borrowings	-	178.60
Repayment of non-current borrowings	(107.95)	(3,081.45)
Proceeds from/repayments of other current borrowings (net)	(43.87)	(2,240.36)
<b>Balance as at the end of the year (including current and non-current borrowings)</b>	<b>647.20</b>	<b>799.02</b>

#### Movement of Interest accrued

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>52.51</b>	<b>214.68</b>
Interest Expense	1,593.89	1,402.17
Interest Paid	(1,542.94)	(1,564.34)
<b>Balance as at the end of the year</b>	<b>103.46</b>	<b>52.51</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 19. Other financial Liabilities

#### i) Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Interest Accrued but not due on deposits <sup>*</sup>	34.59	47.15
	<b>34.59</b>	<b>47.15</b>

#### ii) Current

Particulars	As at March 31, 2024	As at March 31, 2023
Refund Liabilities	41.25	12.38
Capital creditors	410.62	190.99
Salaries, wages and bonus and other employee payable <sup>*</sup>	1,836.58	846.02
Interest accrued but not due on borrowings <sup>*</sup>	66.62	3.11
	<b>2,355.07</b>	<b>1,052.50</b>

<sup>\*</sup> Refer note 37 for related parties disclosure

### 20. Employee benefit obligations

#### i) Non-current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (Refer note 34)	241.74	185.63
	<b>241.74</b>	<b>185.63</b>

#### ii) Current

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (Refer note 34)	56.49	36.20
Provision for compensated absences	393.06	341.79
	<b>449.55</b>	<b>377.99</b>

### 21. Trade payables<sup>\*</sup>

Particulars	As at March 31, 2024	As at March 31, 2023
- Micro enterprises and small enterprises <sup>#</sup>	265.95	50.95
- Trade payables to related parties (Refer to note 37)	255.79	241.12
- Other trade payables	9,310.91	9,517.71
	<b>9,832.65</b>	<b>9,809.78</b>

#### Trade payables ageing schedule

As at March 31, 2024	Outstanding for following periods from due date of payment					Total
	Not due <sup>##</sup>	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	259.64	6.11	-	-	-	265.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	677.17	8,471.06	88.63	-	-	9,236.86

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 21. Trade payables<sup>\*</sup> (Contd..)

As at March 31, 2024	Outstanding for following periods from due date of payment					Total
	Not due <sup>##</sup>	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Disputed dues of creditors other than micro enterprises and small enterprises <sup>**</sup>	-	-	17.08	4.89	308.07	330.04
<b>Total</b>	<b>936.81</b>	<b>8,477.17</b>	<b>105.71</b>	<b>4.89</b>	<b>308.07</b>	<b>9,832.65</b>

As at March 31, 2023	Outstanding for following periods from due date of payment					Total
	Not due <sup>##</sup>	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	50.95	-	-	-	50.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	948.42	8,323.41	-	-	-	9,271.83
Disputed dues of creditors other than micro enterprises and small enterprises <sup>**</sup>	-	0.77	76.96	268.23	141.04	487.00
<b>Total</b>	<b>948.42</b>	<b>8,375.13</b>	<b>76.96</b>	<b>268.23</b>	<b>141.04</b>	<b>9,809.78</b>

<sup>#</sup> There is Rs.6.11 for March 31, 2024 (March 31, 2023: 30.53) of micro enterprises and small enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

<sup>\*\*</sup>Note: Disputed dues of creditors mentioned above includes certain balances which are not paid on account of pending reconciliation with vendor. Payment for these balances will be released after final reconciliation with vendors.

<sup>##</sup>includes unbilled dues of Rs.480.54 (March 31, 2023: Rs.454.68).

Trade payables are non-interest bearing and are normally settled within 60-120 day terms.

Particulars	As at March 31, 2024	As at March 31, 2023
(a) The principal amount remaining unpaid to any supplier at the end of the year <sup>##</sup>	374.05	50.95
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of year	2.25	2.25
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of year	2.25	2.25
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expense under the MSMED Act	-	-

<sup>##</sup> Includes Rs.108.10 payable towards Capital creditors

### 22. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred revenue	564.30	422.84
Statutory dues	202.00	190.86
Advances from customers	652.24	754.64
Interest payable-others	2.25	2.25
	<b>1,420.79</b>	<b>1,370.59</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 22. Other current liabilities (Contd..)

Below is the movement of Deferred revenue:-

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>422.84</b>	<b>262.65</b>
Add: Loyalty points created during the year	682.55	494.01
Less: Loyalty points redeemed/expired during the year	(541.09)	(333.82)
<b>Balance as at the end of the year</b>	<b>564.30</b>	<b>422.84</b>

### 23. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contracts with customers</b>		
Sale of products (net of applicable tax)	99,202.19	78,380.01
Sale of services	590.40	473.36
	<b>99,792.59</b>	<b>78,853.37</b>

Revenue from contract with the customers differ from the revenue as per contracted price due to factors such as loyalty points. The timing of revenue recognition for sale of products is when goods are transferred at a point of time. Customers are entitled to loyalty points on purchase of products which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed. The Loyalty points can be redeemed within 15 months from the date of creation. The performance obligation in relation to sale of services is satisfied upon completion of service.

#### Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss with the contracted price.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	99,934.05	79,013.56
Less: (Creation) of loyalty points	(141.46)	(160.19)
	<b>99,792.59</b>	<b>78,853.37</b>

#### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from customers

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables (Refer Note No. 12)	1,557.19	617.74
Deferred revenue (Refer Note No. 22)	564.30	422.84
Advances from customers (Refer Note No. 22)	652.24	754.64

### 24. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under the effective interest rate method on		
- Fixed Deposits	1,657.48	1,073.48
- Security Deposits at amortised cost	149.33	113.28
Share of profit in Partnership Firm	103.08	72.84
Provisions/liabilities no longer required written back	165.80	146.27

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 24. Other income (Contd..)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value gain on investments carried at fair value through profit or loss	22.16	-
Allowance for doubtful debts written back	-	5.73
Profit on disposal of property, plant & equipment (Net)	55.76	11.98
Miscellaneous Income*	63.16	96.09
	<b>2,216.77</b>	<b>1,519.67</b>

\*Includes gain on early termination of lease liabilities and income on account of cross charge of certain services.

### 25. Changes in inventory of stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	33,987.29	24,993.29
Less: Inventory at the end of the year	(43,969.18)	(33,987.29)
<b>(Increase)/Decrease in inventory</b>	<b>(9,981.89)</b>	<b>(8,994.00)</b>

### 26. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	6,362.38	4,676.50
Contribution to provident and other funds (Refer Note 34)	283.93	212.55
Staff welfare expenses	210.10	205.28
	<b>6,856.41</b>	<b>5,094.33</b>

### 27. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on borrowings	82.24	243.08
Interest on lease liabilities (Refer note 36)	1,511.36	1,152.91
Interest on delay in deposit of income tax	0.29	6.18
Other borrowing cost	2.66	11.50
	<b>1,596.55</b>	<b>1,413.67</b>

### 28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 3)	1,354.77	885.15
Amortisation of intangible assets (Refer note 4)	20.25	18.99
Depreciation of Right-of-use of assets (Refer note 36)	3,431.49	2,548.43
	<b>4,806.51</b>	<b>3,452.57</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 29. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	266.62	201.72
Service cost expense	455.18	449.20
Insurance	121.50	100.62
Rent (net of reimbursements of Rs. 25.11 (March 31, 2023: Rs. 58.93)) (Refer note 36)	807.77	936.73
Rates and taxes	144.82	66.54
Repair and maintenance- Others	901.17	667.00
Foreign exchange loss (net)	98.28	280.53
Travelling and conveyance	663.78	461.26
Advertisement and sales promotion (Refer note 37)	2,468.27	3,067.75
Directors sitting fees and commission	33.65	105.43
Printing and stationery	41.21	32.67
Recruitment expenses	57.05	45.87
Telephone and telex	82.00	73.01
Postage and telegram	387.80	296.60
Legal and professional fees <sup>(a)</sup>	441.81	280.77
Bank charges	601.02	601.79
Allowance for bad and doubtful debts	1.26	-
Advances/deposits/Bad debts written off (Net) <sup>(b)</sup>	39.40	15.98
Property, plant and equipment written off	8.87	-
Corporate Social Responsibility expenditure (Refer note 39)	78.43	25.63
Miscellaneous expenses	409.46	288.28
	<b>8,109.35</b>	<b>7,997.38</b>

#### (a) Includes payment to auditors (excluding taxes as applicable)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit	18.00	16.50
Limited review of special purpose quarterly results	8.50	7.50
In other capacity		
Certification work etc. <sup>*</sup>	7.05	2.43
Reimbursement of expenses	1.81	1.48
	<b>35.36</b>	<b>27.91</b>

\* Excluding Rs.72.36 (March 31, 2023: Rs.51.38) which are considered as part of offer expenses of issue of shares under qualified institution placement (QIP) (Refer Note 47) in current year and initial public offer (IPO) (refer Note 46) in previous year.

#### (b) Details of Advances/deposits/Bad debts written off (Net)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bad debts / Advances written off	39.40	44.98
Less: Provision for doubtful debts / advances adjusted	-	(29.00)
	<b>39.40</b>	<b>15.98</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 30. Tax expense

#### a) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
Current year	2,731.57	1,957.32
Changes in estimates related to prior years	44.43	(13.98)
	<b>2,776.00</b>	<b>1,943.34</b>
Attributable to-		
Deferred tax		
Origination and reversal of temporary differences	(2.74)	40.47
Changes in estimates related to prior years	(44.52)	13.19
	<b>(47.26)</b>	<b>53.66</b>
<b>Total tax expense recognised during the year</b>	<b>2,728.74</b>	<b>1,997.00</b>

The above tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit before tax</b>	10,857.95	7,976.60
Tax at the Indian tax rate <sup>*</sup>	2,732.73	2,007.55
Effect of expenses that are not deductible in determining taxable profit	22.04	8.57
Effect of loss/(profit) that are exempt from tax	(25.94)	(18.33)
Effect of tax (benefit) / expense pertaining to prior years	(0.09)	(0.79)
<b>Income tax expenses/(credit) recognised in statement of profit and loss</b>	<b>2,728.74</b>	<b>1,997.00</b>

<sup>\*</sup>The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (Previous year 25.168%) payable by corporate entities in India on taxable profits under the Indian tax law.

#### b) Income tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Deferred tax assets/(liabilities)</b>		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	3.39	5.69
<b>Total income tax recognised in other comprehensive income</b>	<b>3.39</b>	<b>5.69</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	3.39	5.69
Items that may be reclassified to profit or loss	-	-
	<b>3.39</b>	<b>5.69</b>

### 31. Earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Basic earnings per share</b>		
i Profit for basic earning per share of Rs.10 each		
Profit for the year	8,129.21	5,979.60
ii Weighted average number of equity shares for (basic)		
Opening Balance	2,33,49,233	1,90,78,163
Effect of fresh issue of shares	4,64,881	36,27,484
	<b>2,38,14,114</b>	<b>2,27,05,647</b>
<b>Basic Earnings per share (face value of Rs.10 each)</b>	<b>34.14</b>	<b>26.34</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 31. Earnings per share (Contd..)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>B. Diluted earnings per share</b>		
i Profit for diluted earning per share of Rs.10 each	8,129.21	5,979.60
ii Weighted average number of equity shares for diluted		
Opening Balance	2,33,49,233	1,90,78,163
Effect of fresh issue of shares	4,64,881	36,27,484
	<b>2,38,14,114</b>	<b>2,27,05,647</b>
<b>Diluted earnings per share (face value of Rs.10 each)</b>	<b>34.14</b>	<b>26.34</b>

### 32. Financial instruments - fair values and risk management

#### I. Accounting classification & Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at March 31, 2024			As at March 31, 2023		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	(c) & (d)	3	134.92	2,876.53	-	-	699.07	-
Loans	(e)	3	-	1.70	-	-	5.67	-
Other financial assets	(e)	3	-	2,816.99	-	-	2,452.01	-
<b>Current</b>								
Trade receivables	(a)	3	-	1,557.19	-	-	617.74	-
Cash and cash equivalents	(a)	3	-	5,942.15	-	-	2,701.41	-
Other bank balances	(a)	3	-	28,181.02	-	-	19,767.61	-
Loans		3	-	23.73	-	-	25.28	-
Other financial assets		2	-	2,161.47	-	-	1,494.45	-
<b>Total</b>			<b>134.92</b>	<b>43,560.78</b>	<b>-</b>	<b>-</b>	<b>27,763.24</b>	<b>-</b>
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings	(b)	3	-	188.16	-	-	711.77	-
Other Non current financial Liabilities	(e)	2	-	34.59	-	-	47.15	-
<b>Current</b>								
Borrowings (including current maturities)	(b)	3	-	459.04	-	-	87.25	-
Trade payables	(a)	3	-	9,832.65	-	-	9,809.77	-
Other financial liabilities	(a)	2	-	2,355.07	-	-	1,052.50	-
<b>Total</b>			<b>-</b>	<b>12,869.51</b>	<b>-</b>	<b>-</b>	<b>11,708.44</b>	<b>-</b>

#### Notes:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates. The own non-performance risk as at balance sheet date was assessed to be insignificant.
- The investment in subsidiary is measured at cost less impairment losses, if any. The investment in other companies, fair value in respect of the unquoted equity investments cannot be reliability estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 32. Financial instruments - fair values and risk management (Contd..)

- The fair valuation of unquoted equity shares have been estimated using DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cashflows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fairvalue for these unquoted equity investments.
- The fair valuation of other non current financial assets and other non current financial liabilities are approximately equivalent to carrying value.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 and March 31, 2023

#### II. Financial risk management

##### (i) Risk management framework

The Company's Risk management Committee has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

##### (ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans.

##### Trade receivables and Loans

The Company's retail business is pre-dominantly on cash and carry basis which is largely through credit-card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks. The Company also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Company's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies within India, hence, the Company is not exposed to concentration risks.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 32. Financial instruments - fair values and risk management (Contd..)

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>3.91</b>	<b>15.79</b>
Provision created during the year	11.77	-
Provision utilised/reversed during the year	-	(11.88)
<b>Balance as at the end of the year</b>	<b>15.68</b>	<b>3.91</b>

The movement in the allowance for doubtful advances/recoverable is as follows: (Refer Note 7 & 15)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>15.00</b>	<b>37.85</b>
Provision created during the year	-	-
Provision utilised/reversed during the year	(10.51)	(22.85)
<b>Balance as at the end of the year</b>	<b>4.49</b>	<b>15.00</b>

#### Cash and cash equivalents

The Company holds cash and cash equivalents of Rs.5,942.15 as at March 31, 2024 (March 31, 2023: Rs.2,701.41). The cash and cash equivalents are mainly held with scheduled banks.

#### (iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings of leasing options to maximize liquidity and supplement cash requirements as necessary. Post completion of Initial Public Offer, the Company has repaid all working capital loans / limits and part of shareholder deposits and also, surrendered the sanctioned borrowing limits. In the current year, The Company has got fresh sanction of borrowing limits. Presently, no amount is drawn against the limits and entire sanction limit of Rs. 1,250 is underdrawn as on March 31, 2024.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

#### March 31, 2024

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
- Borrowings	647.20	708.39	493.19	215.19	-
- Trade payables	9,832.65	9,832.65	9,832.65	-	-
- Lease Liabilities	13,831.86	17,911.07	4,069.80	12,101.19	1,740.07
- Capital creditors	410.62	410.62	410.62	-	-
- Salaries, wages and bonus and other employee payable	1,836.58	1,836.58	1,836.58	-	-
- Interest accrued but not due on borrowings	101.21	101.21	66.62	34.59	-
- Refund Liabilities	41.25	41.25	41.25	-	-
	<b>26,701.37</b>	<b>30,841.76</b>	<b>16,750.72</b>	<b>12,350.97</b>	<b>1,740.07</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 32. Financial instruments - fair values and risk management (Contd..)

#### March 31, 2023

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
- Borrowings	799.02	981.73	100.54	881.19	-
- Trade payables	9,809.77	9,809.77	9,809.77	-	-
- Lease Liabilities	11,273.55	15,110.97	3,478.47	9,156.18	2,476.32
- Capital creditors	190.99	190.99	190.99	-	-
- Salaries, wages and bonus and other employee payable	846.02	846.02	846.02	-	-
- Interest accrued but not due on borrowings	50.26	50.26	3.11	47.15	-
- Refund Liabilities	12.38	12.38	12.38	-	-
	<b>22,981.99</b>	<b>27,002.12</b>	<b>14,441.28</b>	<b>10,084.52</b>	<b>2,476.32</b>

#### (iv) Market Risk

##### a) Product price risk

In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. Since the Company operates in premium and luxury watch category, the demand is reasonably inelastic to changes in price. However, the Company continually monitor and compares prices of its products in other developed markets as its customers tend to compare prices across markets. In the event that prices deviate significantly unfavourably from the markets, the Company negotiates with its vendor for change of prices. The Company also manages the risk by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses.

##### b) Interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. As on March 31, 2024, all the borrowings at have fixed rate of interest. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate borrowings	647.20	799.02
Floating rate borrowings	-	-
	<b>647.20</b>	<b>799.02</b>

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of liability outstanding on the year-end was outstanding for the whole year.

Particulars	Profit / (Loss) before tax	
	Strengthening	Weakening
For the year ended March 31, 2024		
Interest rate (0.5 % movement)	-	-
For the year ended March 31, 2023		
Interest rate (0.5 % movement)	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 32. Financial instruments - fair values and risk management (Contd..)

#### c) Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are CHF, USD, AED, AUD, SGD and EUR. The Company evaluates this risk on a regular basis and appropriate risk mitigating steps are taken, including but not limited, entering into forward contracts.

#### Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows :

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>CHF</b>		
Trade payables (net of receivable)	1,652.82	1,693.59
Less: Cash & Cash equivalents	88.20	-
<b>Net exposure of recognised financial liability</b>	<b>1,564.62</b>	<b>1,693.59</b>
<b>USD</b>		
Trade payables (net of receivable)	260.67	175.48
Less: Cash & Cash equivalents	8.82	4.28
<b>Net exposure of recognised financial liability</b>	<b>251.85</b>	<b>171.19</b>
<b>AED</b>		
Trade payables (net of receivable)	27.83	-
<b>Net exposure of recognised financial liability</b>	<b>27.83</b>	-
<b>AUD</b>		
Cash & Cash equivalents	1.02	-
<b>Net surplus of recognised financial Assets</b>	<b>(1.02)</b>	-
<b>SGD</b>		
Trade payables (net of receivable)	7.67	129.06
<b>Net exposure of recognised financial liability</b>	<b>7.67</b>	<b>129.06</b>
<b>EUR</b>		
Trade payables (net of receivable)	56.98	216.53
Less: Cash & Cash equivalents	0.27	1.96
<b>Net exposure of recognised financial liability</b>	<b>56.72</b>	<b>214.57</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of CHF, USD, AED, AUD, SGD and EUR against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast purchases.

As at March 31, 2024	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (1% movement)	(15.65)	15.65
SGD (1% movement)	(0.08)	0.08
EUR (1% movement)	(0.57)	0.57
USD (1% movement)	(2.52)	2.52
AED (1% movement)	(0.28)	0.28
AUD (1% movement)	0.01	(0.01)

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 32. Financial instruments - fair values and risk management (Contd..)

As at March 31, 2024	Equity (net of tax)	
	Strengthening	Weakening
CHF (1% movement)	(11.71)	11.71
SGD (1% movement)	(0.06)	0.06
EUR (1% movement)	(0.42)	0.42
USD (1% movement)	(1.88)	1.88
AED (1% movement)	(0.21)	0.21
AUD (1% movement)	0.01	(0.01)

As at March 31, 2023	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (1% movement)	(16.94)	16.94
SGD (1% movement)	(1.29)	1.29
EUR (1% movement)	(2.15)	2.15
USD (1% movement)	(1.71)	1.71
AED (1% movement)	-	-
AUD (1% movement)	-	-

As at March 31, 2023	Equity (net of tax)	
	Strengthening	Weakening
CHF (1% movement)	(12.67)	12.67
SGD (1% movement)	(0.97)	0.97
EUR (1% movement)	(1.61)	1.61
USD (1% movement)	(1.28)	1.28
AED (1% movement)	-	-
AUD (1% movement)	-	-

CHF: Swiss Franc, USD: US Dollar, SGD: Singapore Dollar, EUR: Euro, GBP: Pound Sterling, AED: Emirati Dirham, AUD: Australian dollar.

### 33. Capital Management

#### Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings including lease liabilities and trade payables net of cash and cash equivalents. Equity comprises all components of equity (as shown in the Balance Sheet). The Company always tries to minimize its adjusted net debt to equity ratio.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at	
	March 31, 2024	March 31, 2023
Total Debts including trade payable	24,311.71	21,882.35
Less: cash and cash equivalents	(5,942.15)	(2,701.41)
<b>Adjusted net debt</b>	<b>18,369.56</b>	<b>19,180.94</b>
Total equity	88,196.44	63,117.68
<b>Adjusted net debt to equity ratio</b>	<b>0.21</b>	<b>0.30</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 34. Employee benefits

#### I. Liabilities relating to employee benefits

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Liability for gratuity	241.74	185.63
	<b>241.74</b>	<b>185.63</b>
Current		
Liability for gratuity	56.49	36.20
Liability for compensated absences	393.06	341.79
	<b>449.55</b>	<b>377.99</b>
<b>Total</b>	<b>691.29</b>	<b>563.62</b>

For details about the related party employee benefit expenses, refer to note no. 37.

#### II. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

##### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

##### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

#### a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

#### b) Reconciliation of present value of defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	<b>236.63</b>	<b>186.94</b>
Benefits paid	(5.45)	(22.12)
Current service cost	56.54	35.91
Interest cost	17.42	13.50
Actuarial (gains) / losses on experience adjustments recognised in other comprehensive income	13.73	22.40
<b>Balance at the end of the year</b>	<b>318.87</b>	<b>236.63</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 34. Employee benefits (Contd..)

#### c) Reconciliation of the present value of plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	<b>14.79</b>	<b>24.26</b>
Contributions paid into the plan	9.94	11.10
Interest Income	1.09	1.75
Benefits paid	(5.45)	(22.12)
Return on plan assets recognised in other comprehensive income	0.26	(0.20)
<b>Balance at the end of the year</b>	<b>20.63</b>	<b>14.79</b>

#### d) Expense recognised in profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	56.54	35.91
Interest Income	(1.09)	(1.75)
Interest cost	17.42	13.50
<b>Balance at the end of the year</b>	<b>72.87</b>	<b>47.66</b>

#### e) Remeasurements recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial (Gain)/loss on defined benefit obligation	13.73	22.40
Actuarial (Gain)/loss on defined plan assets	(0.26)	0.20
<b>Balance at the end of the year</b>	<b>13.47</b>	<b>22.60</b>

#### f) Plan assets

100% of the plan assets are managed by LIC

#### g) Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.22% p.a.	7.36% p.a.
Future salary growth rate (per annum)	6.00% p.a.	5.00% p.a.
Retirement age	56 years	56 years

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

##### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2024	
	Increase	Decrease
Discount rate (0.5% movement)	(9.24)	9.79
Future salary growth rate (0.5% movement)	8.94	(8.64)

Particulars	As at March 31, 2023	
	Increase	Decrease
Discount rate (0.5% movement)	(6.87)	7.27
Future salary growth rate (0.5% movement)	6.71	(6.40)



## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 34. Employee benefits (Contd..)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

#### h) Expected benefit payments

Amount of expected benefit payments for next years are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Within 1 year	60.40	36.20
1-2 year	21.50	30.86
2-3 year	19.66	15.35
3-4 year	23.96	13.82
4-5 year	25.16	15.36
5 years onwards	168.19	125.05

#### i) Weighted average duration of the defined benefit plan

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average duration (in years)	8.19	8.33

### III. Defined contribution plans

The Company makes contribution, determined as a percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The Company has recognised Rs.208.53 during the period (March 31, 2023: Rs.162.61) as expense towards contribution to these plans.

### 35. Contingent liabilities, commitments and other matters

#### i) Claims against the Company not acknowledged as debts, under dispute

Particulars	As at March 31, 2024	As at March 31, 2023
a) Income Tax matters	484.95	364.86
b) Excise Duty matters	65.77	47.08
c) Value Added Tax matters	-	3,330.03
d) Customs duty matters	12.90	12.97
e) Goods and Services Tax matter	12.15	12.15

Based on the discussion with the solicitors/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned case and hence, no provision there against was considered necessary.

#### ii) Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,056.35	471.71

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 35. Contingent liabilities, commitments and other matters (Contd..)

- iii) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition. As on March 31, 2024, there are two open legal proceedings involving disputed amount of Rs. 170.30 (March 31, 2023: Rs. 110.22) against which the Company is carrying liability of Rs. 49.26 (March 31, 2023: Rs. 49.26)
- iv) Pursuant to recent judgement by the Hon'ble Supreme Court dated February 28, 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Company has not recognised any provision. Further, management also believes that the impact of the same on the Company will not be material.

### 36. Leases

#### A. Company as a lessee

The Company has lease contracts for various retail stores and furniture to be used for its operations. The Leases generally have lease terms 2 - 10 years for building and 4 - 5 years for furniture. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning or sub leasing the leased assets.

The Company has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Building	Furniture	Total
<b>As at April 01, 2022</b>	<b>9,020.37</b>	<b>138.76</b>	<b>9,159.13</b>
Additions	3,995.74	-	3,995.74
Deletions	(261.40)	-	(261.40)
Depreciation expense	(2,514.79)	(33.64)	(2,548.43)
<b>As at March 31, 2023</b>	<b>10,239.92</b>	<b>105.12</b>	<b>10,345.04</b>
Additions	5,581.90	109.07	5,690.97
Deletions	(63.49)	-	(63.49)
Depreciation expense	(3,377.64)	(53.85)	(3,431.49)
<b>As at March 31, 2024</b>	<b>12,380.69</b>	<b>160.34</b>	<b>12,541.03</b>

The carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At the beginning of the year</b>	<b>11,273.55</b>	<b>10,186.97</b>
Additions	5,441.30	3,774.47
Accretion of interest	1,511.36	1,152.91
Deletions	(68.13)	(285.17)
Payments (Principal and interest)	(4,326.22)	(3,555.63)
<b>At the closing of the year</b>	<b>13,831.86</b>	<b>11,273.55</b>
Current lease liabilities	2,731.21	2,356.75
Non-current lease liabilities	11,100.65	8,916.80
<b>Total</b>	<b>13,831.86</b>	<b>11,273.55</b>

The details regarding the maturity analysis of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	4,069.80	3,478.47
After one year but not more than five years	12,101.19	9,156.18
More than five years	1,740.07	2,476.32
<b>Total</b>	<b>17,911.07</b>	<b>15,110.97</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 36. Leases (Contd..)

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11.33% (March 31, 2023: 11.63%).

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	3,431.49	2,548.43
Interest expense on lease liabilities	1,511.36	1,152.91
Expense relating to short-term leases and variable rent (included in other expenses)**	832.88	995.66
<b>Total amount recognised in profit or loss</b>	<b>5,775.74</b>	<b>4,697.00</b>

\*The Company had total cash outflows for leases of Rs. 4,326.22 (March 31, 2023: Rs. 3,555.63).

The Company also had non-cash additions to right of use assets and liabilities of Rs. 5,332.15 (March 31, 2023: Rs.3,624.47)

\*\* Gross of reimbursement received of Rs. 25.11 (March 31, 2022: Rs. 58.93).

### 37. Related parties

#### (i) Holding Company :

KDDL Limited (KDDL)

#### (ii) Joint venture :

Pasadena Retail Private Limited

#### (iii) Subsidiaries :

Cognition Digital LLP

RF Brands Pvt. Ltd. (w.e.f. February 2, 2024)

Silvercity Brands AG (w.e.f. March 31, 2023 and upto March 10,2024) (Refer Note 5)

#### (iv) Associate :

Silvercity Brands AG (w.e.f. March 11, 2024) (Refer Note 5)

#### (iv) Entities under common control (where transactions have taken place during the year / balances outstanding) :

Mahen Distribution Limited

Pylania SA

VBL Innovations Private Limited

Vardhan Properties & Investment Private Limited

Dream Digital Technology Private Limited (DDTPL)

Saboo Ventures LLP

Saboo Housing Projects LLP

Rival Soul International SARL

Saveeka Family Trust

KDDL-Ethos Foundation

Haute-Rive Watches SA

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 37. Related parties (Contd..)

#### (v) Details of transactions entered into with the related parties:

Key Managerial Personnels	Relative of Key Managerial Personnel
Mr.Y.Saboo (Chairman and Managing Director)	Mr. R K Saboo (Father)
	Mrs. Usha Devi Saboo (Mother)
	Mrs. Anuradha Saboo (Spouse)
	Mr. Jai Vardhan Saboo (Brother)
	Mr. Pranav Shankar Saboo (CEO) (Son)
	Mrs. Satvika Suri (Daughter)
Mr. Pranav Shankar Saboo (CEO) appointed as Additional Director (w.e.f. January 18, 2024) and regularised as Director (w.e.f. March 21, 2024). Further, appointment as a Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 01, 2024.	Mrs. Malvika Saboo (Spouse)
Mr. Anil Khanna - Independent Director	Mrs Alka Khanna (Spouse)
	Mr. Saahil Khanna (Son)
	Mrs Poonam Prakash (Sister)
	Mrs. Pallavi Kumar (Wife)
Mr. Sundeep Kumar - Independent Director	
Mr. Dilpreet Singh - Independent Director	
Mr. Mohaimin Altaf - Independent Director (upto September 28, 2023)	Mrs Nighat Altaf (Mother)
Mr. Patrik Paul Hoffman - Independent Director (upto November 23, 2023)	
Key Managerial Personnels	Relative of Key Managerial Personnel
Mr. Manoj Gupta - Executive Director (upto March 31, 2024)	Mrs. Lalit Gupta (Spouse)
	Mr. Amol Gupta (Son)
	Mrs. Saneh Lata (Mother)
	Mr. Deepak Gupta (Brother)
Mr. Manoj Subramanian – appointed as Additional Director (w.e.f. January 18, 2024) and regularised as Director (w.e.f. March 21, 2024). Further, appointment as an Executive Director (KMP) of the Company with effect from April 1, 2024.	
Mr. Chitranjan Agarwal - Non Independent and Non Executive Director (w.e.f. April 01, 2022)	Mrs. Pallavi Agarwal (Spouse)
Mr. Charu Sharma - Independent Director (w.e.f. November 03, 2022)	
Mrs. Munisha Gandhi - Independent (Woman) Director (w.e.f. December 19, 2023)	Mr. Viraj Gandhi (Son)
	Ms. Shabnam Nath (Daughter)
Mr. Yogen Khosla - Independent Director (w.e.f. January 18, 2024)	
Ms. Susanne Hurni - Director of Estima AG, Fellow Subsidiary	
Mr. N. Subramanian - Independent Director (upto September 27,2022)	
Mrs. Neelima Tripathi - Independent Director (upto September 27, 2022)	Mr Apoorv P. Tripathi (Son)
	Ms Sanam Tripathi (Daughter)
Mr. Ritesh Kumar Agrawal (CFO) (upto February 15, 2024)	Mrs. Jyoti Agrawal (Spouse)
Mr. Munish Gupta - CFO (w.e.f. March 01, 2024)	Mrs. Nidhi Gupta (Spouse)
Mr. Anil Kumar (CS)	Mrs. Navita Verma (Spouse)
Mr. Sanjiv Sachar - Director of KDDL Limited, Holding Company	

1 Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employees benefits are lump sum amounts provided on the basis of actuarial valuation the same is not included above.

2 All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 37. Related parties (Contd..)

(vi) Details of transactions entered into with the related parties:	Joint venture/ Subsidiary body corporate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>For the Year ended</b>								
<b>Transactions :</b>								
Sale of goods	-	-	5.31	3.93	145.53	104.03	4.86	33.68
Other Income	112.17	72.84	-	-	-	-	43.68	43.68
Rent income	12.00	12.00	1.20	1.20	-	-	-	-
Purchases of stock-in-trade	-	-	51.10	-	33.50	18.00	5.62	17.68
Short term employee benefits	-	-	-	-	945.16	645.15	-	-
Legal and professional fees	-	-	-	-	56.80	27.78	-	-
Advertisement and sales promotion	472.43	412.85	55.20	42.00	-	-	-	-
Recovery of expenses incurred	287.22	184.50	-	-	-	-	-	-
Rent expenses	-	-	12.92	12.35	-	-	42.06	27.99
Directors sitting fees and commission	-	-	-	-	33.65	105.41	-	-
Reimbursement of expenses	0.01	-	-	-	0.84	8.02	7.38	10.29
Interest Expenses	-	-	-	4.16	16.81	61.22	-	-
Financial guarantee expenses	-	-	-	-	-	-	-	4.97
Sale of Property, Plant and Equipment	-	-	-	-	-	5.32	-	-
Purchase of Property, Plant and Equipment & Intangible Assets	-	-	-	-	-	-	-	3900.00
Investment in subsidiaries / Joint venture	2074.38	45.12	112.76	-	-	-	-	-
Loan repaid	-	-	-	95.00	25.40	865.05	-	-
Loan given	-	-	-	-	38.78	-	-	-
CSR Expenses	-	-	-	11.96	-	-	-	-
Reimbursement to selling shareholders of IPO proceed (Net of share issue expenses)	-	-	-	468.06	-	834.92	-	1111.78

Particulars	Joint venture/ Subsidiary body corporate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Balances outstanding :</b>								
Investments	2876.53	699.07	134.92	-	-	-	-	-
Receivable against sale of goods	-	-	-	152.03	94.79	68.09	-	-
Advances	34.18	12.41	59.91	1342.98	8.18	6.35	5.79	17.18
Payable for Employee Benefits	-	-	-	-	39.24	117.65	-	-
Payable for Director Fees	-	-	-	-	-	79.59	-	-
Payable for services received	251.95	161.53	-	-	3.83	-	-	-
Interest accrued but not due	-	-	-	-	22.95	14.27	-	-
Unsecured loans	-	-	-	-	111.81	136.81	-	-
Deemed capital contribution	-	-	-	-	-	-	50.51	50.51

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 38. Segment information

#### Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Company. As the chief operating decision maker of the Company assess the financial performances and position of the Company as a whole and makes strategic decision, the management considers retail trading of premium and luxury watches, accessories and other luxury items and including related after sale services in India as a single operating segment as per Ind AS 108, hence separate segment disclosure, have not been furnished.

### 39. Corporate Social Responsibility

In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to Rs. 78.43 (March 31, 2022: Rs 25.63) for CSR activities carried out during the current year.

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i	Amount required to be spent by the company during the period as approved by board.	78.43	25.63
ii	Amount of expenditure incurred		
	a. In cash	78.43	25.63
	b. Yet to be paid in Cash	-	-
	c. Balance for the remaining period	-	-
iii	Shortfall at the end of the year	-	-
iv	Total of previous years shortfall	-	-
v	Reason for shortfall	NIL	NIL
vi	Nature of CSR activities	SayTrees Environmental Trust - Towards Million Tree Project SankalpTaru Foundation - Towards Million Tree Projects.	Isha Foundation- Towards Million Tree Projects Youth Technical Training Society - Towards promoting education
		-	Mrittika Earthy Talks Foundation - Towards waste management
vii	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	Contribution to KDDL Ethos Foundation <sup>1</sup>
viii	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shown be shown separately	Not applicable	Not applicable

<sup>1</sup>During the year ended March 31, 2023, the Company had transferred an amount of Rs. 11.96 to KDDL Ethos Foundation, a CSR registered implementing agency towards various objects as mentioned in Section 135 of the Companies Act, 2013. The CSR obligation transferred by the Company as at March 31, 2023 which had been set off with liability towards CSR activities of the company, have been utilised in various objects namely environmental sustainability, training etc.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 40. Disclosures pursuant to Section 186 of the Companies Act, 2013:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Investment</b>		
<b>Investment in joint venture: Investment in Pasadena Retail Private Limited</b>		
Balance as at the year end	275.00	175.00
Maximum amount outstanding at any time during the year	275.00	175.00
<b>Investment in Subsidiary: Investment in Cognition Digital LLP (Partnership firm)</b>		
Balance as at the year end	582.03	478.95
Maximum amount outstanding at any time during the year	582.03	478.95
<b>Investment in Subsidiary: Investment in Silvercity Brands AG (Registered Company in Switzerland) (Refer Note 5)</b>		
Balance as at the year end	-	45.12
Maximum amount outstanding at any time during the year	1,919.50	45.12
<b>Investment in Associate: Investment in Silvercity Brands AG (Registered Company in Switzerland) (Refer Note 5)</b>		
Balance as at the year end	1,919.50	-
Maximum amount outstanding at any time during the year	1,919.50	-
<b>Investment in Subsidiary: Investment in RF Brands Private Limited</b>		
Balance as at the year end	100.00	-
Maximum amount outstanding at any time during the year	100.00	-

### 41. Details of subsidiary, associate and joint venture with ownership % and place of business :

#### Subsidiaries

Name of the entity	Cognition Digital LLP
Principal Place of Business	India
Proportion of Ownership as at March 31, 2024	99.99 %
Proportion of Ownership as at March 31, 2023	99.99 %
Method used to account for the investment	At cost

Name of the entity	RF Brands Private Limited
Principal Place of Business	India
Proportion of Ownership as at March 31, 2024	100.00 %
Proportion of Ownership as at March 31, 2023	NIL
Method used to account for the investment	At cost

#### Joint venture

Name of the entity	Pasadena Retail Private Limited
Principal Place of Business	India
Proportion of Ownership as at March 31, 2024	50.00 %
Proportion of Ownership as at March 31, 2023	50.00 %
Method used to account for the investment	At cost

#### Associate

Name of the entity	Silvercity Brands AG
Principal Place of Business	Switzerland
Proportion of Ownership as at March 31, 2024	35.00 %
Proportion of Ownership as at March 31, 2023	100.00 %
Method used to account for the investment	At cost

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

42. 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 Company 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.

### 43. Ratio Analysis<sup>\*</sup>

Ratios	Unit of Measurement	As at 31 March 2024	As at 31 March 2023	% change <sup>**</sup>
a. Current Ratio	No. of times	4.98	4.22	17.81 %
b. Debt Equity Ratio	No. of times	0.16	0.19	(13.60 %)
c. Debt Service Coverage Ratio	No. of times	3.82	1.86	105.14 %
d. Return on Equity Ratio	Percentage (%)	10.74 %	13.86 %	(22.48 %)
e. Inventory Turnover Ratio	No. of times	1.79	1.85	(3.23 %)
f. Trade Receivable turnover Ratio	No. of times	91.77	138.83	(33.90 %)
g. Trade Payable turnover Ratio	No. of times	8.12	6.86	18.39 %
h. Net Capital Turnover Ratio	No. of times	1.45	1.63	(10.86 %)
i. Net Profit Ratio	Percentage (%)	8.15 %	7.59 %	7.33 %
j. Return on Capital Employed	Percentage (%)	12.13 %	12.49 %	(2.87 %)
k. Return on Investment	Percentage (%)	1.69 %	10.67 %	(84.18 %)

#### <sup>\*</sup> Ratio Numerator and Denominator

- a. Current Ratio = Current Assets / Current Liabilities
- b. Debt Equity Ratio = Total Debt / Shareholder's Equity
- c. Debt Service Coverage Ratio = Earnings available for debt service (Net profit before taxes + Non-cash operating expenses+Finance Cost) / Debt Service (Interest & Lease Payments + Principal Repayments)
- d. Return on Equity Ratio = Net Profit / Average Shareholder's Equity
- e. Inventory Turnover Ratio = Cost of goods sold / Average Inventory
- f. Trade Receivables turnover ratio = Net Sales (Net sales = Total sales - sales return) / Average Trade Receivable
- g. Trade payables turnover ratio = Net Purchase (Gross purchases - purchase return) / Average Trade Payable
- h. Net capital turnover ratio = Net Sales (Net sales = Total sales - sales return) / Working Capital (Current assets – Current liabilities)
- i. Net Profit Ratio = Net Profit after tax / Net Sale (Net sales = Total sales - sales return)
- j. Return on Capital Employed = Earnings before interest and taxes / Capital employed (Capital Employed = total equity + total debt)
- k. Return on Investment = Income on Investments / Average Investment

#### <sup>\*\*</sup> Explanation for major variance in ratios

- a. Debt Service Coverage Ratio - The earnings for debt service has increased during the year due to expansion in existing operations.
- b. Trade Receivables turnover Ratio - The Company increases the efficiency in collection from customers during the year.
- c. Return on Investment - The Company has invested funds in current year and the increased its investment base the impact which in the form of returns will be seen in coming years.

44. 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. The aforesaid brands have been capitalized as intangible assets during the year ended March 31, 2023.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 45. Other Statutory Information

- 1) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2) The Company does not have any transactions with companies struck off.
- 3) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- 6) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7) The Company not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- 8) The Company is not declared as wilful defaulter by any bank or financial institution

**46.** During the previous year ended March 31, 2023, the Company had completed its Initial Public Offering ('IPO') of 45,81,500 equity shares of face value of Rs. 10 each at an issue price of Rs.878 per share (including securities premium of Rs.868 per share). The issue was comprised of fresh issue of 42,71,070 equity shares aggregating to Rs. 37,500.00 and offer for sale of 3,10,430 equity shares aggregating to Rs.2,725.58. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022.

Consequent to allotment of fresh issue, the paid-up equity share capital of the Company stood increased from Rs.1,907.82 consisting of 1,90,78,163 equity shares of Rs.10 each to Rs.2,334.92 consisting of 2,33,49,233 Equity Shares of Rs.10 each.

The total offer expenses in relation to the fresh issue are Rs.3,531.05 (excluding taxes). The utilization of IPO proceeds from fresh issue (net of IPO related expense of Rs.3,531.05) is summarized below:

Particulars	Amount
Amount received from fresh issue	37,500.00
Less: Offer related expenses in relation to the Fresh Issue	(3,531.05)
<b>Net Proceeds available for utilisation</b>	<b>33,968.95</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 46. (Contd..)

The aforesaid offer related expenses in relation to the Fresh Issue have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilized as on March 31, 2024**
Repayment or pre-payment certain borrowings	2,989.09	2,989.09	-
Funding working capital requirements	23,496.22	23,496.22	-
Financing the establishment of new stores and renovation of the certain existing stores	3,327.28	703.74	2,623.54
Financing the upgradation of ERP	198.01	158.71	39.30
General corporate purpose*	3,958.35	3,958.35	-
<b>Total</b>	<b>33,968.95</b>	<b>31,306.11</b>	<b>2,662.84</b>

\*Amount of Rs.3,609.87 was original proposed in offer document as part of general corporate purpose has been increased by Rs.348.48 on account of saving in offer expenses.

\*\*The unutilised amounts lying under the heads 'Financing the establishment of new stores and renovation of the certain existing stores' and 'Financing the upgradation of ERP' shall be utilised within 18 months from the date of obtaining shareholder's approval through Notice issued for Postal Ballot dated January 18, 2024. The shareholders have accorded their approval on March 21, 2024. Net unutilised proceeds as on March 31, 2024 have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

**47.** During the current year, the Company has issued 11,31,210 equity shares of face value of Rs. 10 each at an issue price of Rs. 1,547 per share (including securities premium of Rs. 1,537 per share) aggregating to Rs. 17,499.82 under Qualified Institutions Placement ('QIP').

Consequent to allotment of aforesaid equity shares on November 3, 2023, the paid-up equity share capital of the Company stands increased from Rs. 2,334.92 consisting of 2,33,49,233 Equity Shares of Rs. 10 each to Rs. 2,448.04 consisting of 2,44,80,443 Equity Shares of Rs. 10 each.

The total offer expenses in relation to the fresh issue are Rs. 540.18 (excluding taxes). The utilization of QIP proceeds (net of QIP related expense of Rs. 540.18) is summarized below:

Particulars	Amount
Amount received from issue	17,499.82
Less: QIP related expenses in relation to the issue	(540.18)
<b>Net Proceeds available for utilisation</b>	<b>16,959.64</b>

The aforesaid QIP related expenses in relation to the Issue have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilized as on March 31, 2024 *
Funding working capital requirements	13,125.00	-	13,125.00
General corporate purpose	3,834.64	-	3,834.64
<b>Total</b>	<b>16,959.64</b>	<b>-</b>	<b>16,959.64</b>

\* As per the Placement Document, the utilisation of funds for the aforesaid objects will start after March 31, 2024. Net Proceeds available for utilisation as on date have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

## Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

**48.** The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that, the feature of recording audit trail for direct changes to database made using privileged/administrative access rights is not available. The Company is in the phase of implementation of the upgraded ERP version to mitigate the requirement of maintaining audit trail at database level and change logs records.

**49.** There are no significant events after reporting date which need to be disclosed.

As per our report of even date

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

Chartered Accountants

ICAI firm registration no.: 301003E/E300005

**Anil Gupta**

Partner

Membership No. 87921

Place: New Delhi

Date: May 13, 2024

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

**Yashovardhan Saboo**

Chairman and Managing Director

DIN 00012158

**Munish Gupta**

Chief Financial Officer

**Anil Kumar**

Company Secretary

Place: Chandigarh

Date: May 13, 2024

**Anil Khanna**

Director

DIN 00012232

**Pranav Shankar Saboo**

Managing Director and CEO

DIN 03391925

# Independent Auditor's Report

To the Members of **Ethos Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Ethos Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and its associates comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint venture and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint venture and its associates as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards

are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, joint venture and associates 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Inventory (as described in Note 11 of the consolidated Ind AS financial statements)</b></p> <p>The total value of inventory as at March 31, 2024 is INR 43,969.18 lakhs. These inventories mainly consist of watches at various stores of the Holding Company. The Holding Company has a plan wherein inventory is physically verified on a periodic basis to ascertain the existence of inventory. Also, the Holding Company's management analyses the ageing of inventories to identify slow-moving and obsolete inventories and then estimates the amount of allowance. We have identified the existence of inventory and allowance of inventories as a key audit matter because of number of stores at which inventory is kept and the judgement exercised by the Holding Company's management in identifying the slow-moving and obsolete inventories and assessing the amount of allowance for inventories after considering the nature of the retail industry</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>We evaluated the design and tested the implementation of internal controls relating to physical inventory counts on a test basis, valuation of inventory and allowances for inventory;</li> <li>We have assessed the physical verification reports for the verification conducted by the management during the year.</li> <li>Observed the stock take process at few stores post year end and reviewed the rollback reconciliation of stock to reconcile with the inventory as at March 31, 2024. We read and assessed Group's accounting policy with regard to inventories and its compliance with applicable accounting standards</li> <li>We analyzed the ageing and quantitative movement to analyze any significant variances.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We understood how the Holding Company's management identifies the slow-moving and obsolete inventories and assesses the amount of allowance for inventories.</li> <li>We performed the substantive testing on the quantitative movement of inventory by selecting samples of sales and purchases made at the retail outlets and also tested the underlying sales to collection reports and bank statements.</li> <li>We assessed and tested, on sample basis, the value at which the inventory is valued i.e. lower of cost or net realizable value after considering post period sales data, retrospective review of provision for inventory obsolescence, actual write offs, compared whether the watches have a continuing active market and obtain management representation for future salability.</li> <li>We read and assessed the adequacy of relevant disclosures related to inventories in the consolidated Ind AS financial statements.</li> </ul>

**Accounting of Leases as per Ind AS 116 (as described in Note 37 of the consolidated Ind AS financial statements)**

As described in Note 37 to the consolidated Ind AS financial statements, the Group and its joint venture is following Ind AS 116 Leases (Ind AS 116 or the 'standard') for accounting various leases entered by the Group. In case of the Holding Company, the application and accounting of leases under Ind AS 116 is complex and is an area of focus in our audit as the company has a large number of leases with different contractual terms which involves evaluation as per the provisions of Ind AS 116 in case of any changes in terms of existing leases.

Ind AS 116 requires the Group to recognize a right-of-use (ROU) asset and a lease liability arising from a lease arrangement on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Application of the Standard involves significant judgements and estimates including, determination of the discount rates and the lease term.

Additionally, the Standard mandates remeasuring the carrying amount of lease liabilities and right of use assets to reflect any re-assessment or lease modification as per Ind AS 116 for any changes in lease terms.

We have identified accounting of leases as a key audit matter as the application of this Standard is complex considering the number of leases with different contractual terms and adjustment to the carrying amount of lease liabilities and right of use assets on the balance sheet date to reflect changes in terms of existing leases.

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone

**Our audit procedures amongst others included the following:**

- We assessed and tested processes and controls designed and implemented by the Group in respect of the lease accounting standard (Ind AS 116);
- We assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;
- We have evaluated the basis of determination of lease modification/re-assessment and related adjustments in case of lease terminations/modifications;
- We tested the lease data by evaluating the reconciliation of company's lease commitments to data used in computing the ROU asset and the lease liabilities provided by the management;
- We read and assessed the key terms and conditions of lease with the underlying lease contracts on a sample basis;
- We have evaluated the computation of lease liabilities and assessed the underlying assumptions, estimates including the applicable discount rates and the lease term.
- We assessed the adequacy of Group's presentation and disclosures related to Ind AS 116.

Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture and associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as

amended. The respective Board of Directors of the companies included in the Group, of its joint venture and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 consolidated Ind AS financial statements 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 consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are 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 these consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements, 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 Holding 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 management.
- Conclude on the appropriateness of management's 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, its joint venture and its associates 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 consolidated Ind AS financial statements 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, its joint venture and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint venture and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 consolidated Ind AS financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

- (a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs 660.25 lakhs as at March 31, 2024, and total revenues of Rs 469.62 lakhs and net cash outflows of Rs 26.72 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 73.81 lakhs for the year ended March 31, 2024, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of three subsidiaries, whose financial statements and other financial information reflect total assets of Rs 100 lakhs as at March 31, 2024, and total revenues of Rs 106.61 lakhs and net cash inflows of Rs 106.02 lakhs for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 6.78 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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 statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary and joint venture company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its joint venture, none of the directors of the Holding Company and its joint venture, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; Based on the consideration of reports of other auditors, the provisions of clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") are not applicable to its subsidiaries, joint venture and associates;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act. Based on the consideration of reports of other auditors, the provisions of Section 197 read with Schedule V to the

Act are not applicable to its subsidiaries, joint venture and its associates;

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, joint ventures and its associates, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint venture and its associates in its consolidated Ind AS financial statements – Refer Note 36 (i) to the consolidated Ind AS financial statements;
- ii. The Group, joint venture and associates did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended March 31, 2024.
- iv. a) The respective managements of the Holding Company and its subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of its knowledge and belief, as disclosed in the note 46 to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary and joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiary and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and joint venture respectively that, to the best of its

knowledge and belief, as disclosed in the note 46 to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiary and joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and joint venture company, incorporated in India.
- vi) Based on our examination which included test checks and that performed by auditors of the joint venture which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note \_\_\_\_ to the financial statements, the Holding Company and joint venture has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, in relation to Holding Company we were unable to verify whether any instance of audit trail feature being tampered with happened during the year, as necessary logs in respect of such activity are not available with the Holding Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**  
Partner  
Membership Number: 87921  
UDIN: 24087921BKAQCY8242  
Place of Signature: New Delhi  
Date: May 13, 2024



## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

Re: **Ethos Limited** ("the Holding Company")

**In terms of the information and explanations sought by us and given by the Group and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the order is not applicable to the Holding Company.

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF ETHOS LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Ethos Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to these consolidated Ind AS financial statements of the Holding Company, which is company incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated Ind AS financial statements included obtaining an

understanding of internal financial controls with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

### Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, which is company incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these

consolidated Ind AS financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**  
Partner  
Membership Number: 87921  
UDIN: 24087921BKAQCY8242  
Place of Signature: New Delhi  
Date: May 13, 2024

**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 subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its joint venture and its associates for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("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	RF Brands Private Limited	Subsidiary
3	Silvercity Brands AG	Subsidiary (till March 10, 2024), Associate (w.e.f. March 11, 2024)
4	Favre Leuba GmbH	Subsidiary (till March 10, 2024), Associate (w.e.f. March 11, 2024)
5	Pasadena Retail Private Limited	Joint venture

ii. is 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, its joint venture and its associates for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

**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, joint venture and associates 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.

**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 and associates 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 and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 and its associates are responsible for assessing the ability of their respective companies 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 and its associates are also responsible for overseeing the financial reporting process of their respective companies.

**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, its joint venture and its associates 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, its joint venture and its associates 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, its joint venture and its associates 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 660.25 lakhs as at March 31, 2024, total revenues of Rs. 170.59 lakhs and Rs 469.62 lakhs, total net profit after tax of Rs. 32.85 lakhs and Rs. 103.74 lakhs, total comprehensive income of Rs. 32.18 lakhs and Rs. 103.08 lakhs, for the quarter and the year ended on that date respectively, and net cash outflow of Rs. 26.72 lakhs for the year ended March 31, 2024, 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. 16.43 lakhs and Rs. 73.82 lakhs and Group's share of total comprehensive income of Rs. 16.43 lakhs and Rs. 73.82 lakhs for the quarter and for the year ended March 31, 2024 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.

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of

- Three subsidiaries, whose financial statements and other financial information reflect total assets of Rs 100 lakhs as at March 31, 2024, and total revenues of Rs 1.21 lakhs and Rs 106.61 lakhs, total net loss after tax of Rs. 18.13 lakhs and Rs. 76.58 lakhs, total comprehensive income of Rs. 18.13 lakhs and Rs. 76.58 lakhs, for the quarter and the year ended on that date respectively and net cash inflows of Rs. 106.02 lakhs for the year ended March 31, 2024, whose financial statements and other financial information have not been audited by any auditor.
- Two associates, whose financial statements include Group's share of net loss of Rs. 6.88 lakhs and Group's share of total comprehensive loss of Rs. 6.88 lakhs from March 11, 2024 to March 31, 2024, as considered in the Statement whose financial

statements and other financial information have not been audited by any auditor.

These unaudited financial statements have been approved and 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 this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 24087921BKAQCY8242

Place of Signature: New Delhi

Date: May 13, 2024

of the other auditors and the Financial Results/financial information certified by the Management.

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



## Consolidated Cash Flow Statement for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. OPERATING ACTIVITIES</b>		
Profit before income tax	11,131.21	8,067.65
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and amortization expense	4,867.46	3,463.09
Write off / loss on sale of property, plant & equipment	8.87	-
Profit on Sale of property, plant & equipment (net)	(55.76)	(12.81)
Interest expense	1,599.14	1,404.56
Interest income	(1,828.70)	(1,193.99)
Provisions/liabilities no longer required written back	(166.04)	(147.42)
Effect of exchange rates on translation of operating cash flows	0.16	(0.16)
Share of profit of joint venture and associate (net of income tax)	(67.31)	(49.68)
Unrealized foreign exchange gain	(46.36)	(2.15)
Fair value gain on investments carried at fair value through profit or loss	(22.16)	-
Gain on deemed disposal of subsidiary	(225.80)	-
Gain on termination of lease contracts	(9.18)	(26.84)
Allowance for doubtful debts/(written back)	1.26	(5.73)
Advances / deposits / Bad debts written off	39.40	15.98
<b>Cash generated from operations before working capital changes</b>	<b>15,226.18</b>	<b>11,512.50</b>
<b>Movements in working capital:</b>		
Decrease / (Increase) in loans	5.52	(0.34)
(Increase) in other financial assets	(511.77)	(953.36)
Decrease / (Increase) in other assets	762.89	(1,432.41)
(Increase) in inventories	(9,981.89)	(8,994.00)
(Increase) in trade receivables	(959.21)	(108.22)
Increase in employee benefit obligations	114.77	92.21
Increase in trade payables	92.52	1,406.13
Increase in other financial liabilities	1,017.96	146.53
Increase in other current liabilities	101.49	148.67
<b>Cash flow from operations</b>	<b>5,868.47</b>	<b>1,817.71</b>
Income tax paid (net)	(2,787.08)	(2,032.24)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>3,081.39</b>	<b>(214.53)</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)	(3,944.76)	(5,663.64)
Proceeds from sale of property, plant and equipment	788.31	108.95
Payment towards purchase of investments	(100.00)	(112.76)
Payment towards acquisition of associate	(1,842.93)	-
Investment in bank deposits (having original maturity of more than three months)	(8,370.47)	(20,708.48)
Interest received	1,189.75	754.56
<b>Net cash (used in) investing activities (B)</b>	<b>(12,280.10)</b>	<b>(25,621.37)</b>
<b>C. FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (including premium)	17,499.82	37,500.00
Share issue expenses	(540.18)	(3,531.05)
Proceeds from non-current borrowings	26.75	178.60
Repayment of non-current borrowings	(112.05)	(3,081.45)
Proceeds from/repayments of other current borrowings (net)	(43.87)	(2,240.36)
Payment of principal portion of lease liabilities	(2,814.86)	(2,402.73)
Interest paid on lease liabilities	(1,511.36)	(1,152.91)
Interest expense paid	(36.49)	(413.65)
<b>Net cash flow from financing activities (C)</b>	<b>12,467.76</b>	<b>24,856.45</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3,269.04</b>	<b>(979.45)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,788.87</b>	<b>3,768.32</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6,057.91</b>	<b>2,788.87</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Notes :

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Cash and cash equivalents include :		
Balance with banks in current accounts	2,319.34	1,857.57
Cheques and drafts on hand	-	71.94
Cash on hand	245.68	106.53
Credit cards receivable	339.89	252.83
Fixed Deposits with original maturity of less than three months	3,153.00	500.00
<b>Cash and cash balance at the end of the year (Refer Note 13)</b>	<b>6,057.91</b>	<b>2,788.87</b>

- The above cash flow statement has been prepared under indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
- Refer note 18 for reconciliation of movements of liabilities to cash flows arising from financing activities.
- Refer note 37 for non-cash investing activities in form of additions to right of use assets.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI firm registration no.: 301003E/E300005

**Anil Gupta**  
Partner  
Membership No. 87921

Place: New Delhi  
Date: May 13, 2024

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

**Yashovardhan Saboo**  
Chairman and Managing Director  
DIN 00012158

**Munish Gupta**  
Chief Financial Officer

**Anil Kumar**  
Company Secretary

Place: Chandigarh  
Date: May 13, 2024

**Anil Khanna**  
Director  
DIN 00012232

**Pranav Shankar Saboo**  
Managing Director and CEO  
DIN 03391925



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March, 2024. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the special purpose interim condensed consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the special purpose interim condensed consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The details of the consolidated entities are as follows:

Name of the Entity	Principal Activities	Relationship	Country of incorporation	% of holding (31 March 2024)	% of holding (31 March 2023)
Cognition Digital LLP*	IT based business solutions	Subsidiary	India	99.99%	99.99%
RF Brands Private Limited**	Trading of Watches	Subsidiary	India	100%	-
Pasadena Retail Private Limited	Trading of Watches	Joint Venture	India	50%	50%
Silvercity Brands AG ***	Trading of Watches and invest in/create related brands	Associate	Switzerland	35%	100%
Favre Leuba GmBH****	Trading of Watches	Associate	Switzerland	35%	-

\* The percentage of holding denotes the Share of Profits in LLP.

\*\* w.e.f. February 02, 2024

\*\*\* percentage holding reduced to 35% w.e.f. March 11, 2024

\*\*\*\* w.e.f. June 26, 2023

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.

- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.

- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.3 Summary of material accounting policies

#### a. Investment in Joint Venture and Associates

The group holds an interest in a joint venture, Pasadena Retail Private Limited, and an interest in associates, Silvercity Brands AG and Favre Leuba GmBH.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss outside the operating profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group.

When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### b. Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### c. Property, plant and equipment ('PPE')

##### Recognition and measurement

Property, Plant & Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost of acquisition or construction which includes capitalised finance costs less accumulated depreciation and accumulated impairment loss, if any.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Recognition criteria

The cost of an item of property, plant and equipment is recognised as an asset if and only if,

- It is probable that future economic benefits associated with the item will flow to the entity, and
- The cost of the item can be measured reliably.

Capital work-in-progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date, net of accumulated impairment loss, if any. Advances paid towards acquisition of PPE outstanding at each balance sheet date, are shown under other non-current assets.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised.

### Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the statement of profit and loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for office equipments being mobile phones which are depreciated over the estimated life of two years and furniture & fixture being in the nature of display furniture at stores which are depreciated over the estimated life of three years from the date of capitalization on the basis of internal evaluation by the management basis which the management believes that this useful life best represents the period over which these asset will be used.

Depreciation on improvements carried out on buildings taken on lease is provided for the lease term or useful life of assets, whichever is lower. Refer lease policy under section of leases below for period of leases.

On an item of property, plant and equipment discarded during the year, accelerated depreciation is provided considered life reassessment if store is due for closure upto the date on which such item of property, plant and equipment is discarded.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising on derecognition of the asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### d. Intangible assets

#### Acquired Intangible

Intangible assets that are acquired by the Group are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in statement of profit and loss. The estimated useful life of Computer Software (ERP), Business Intelligence software and Website is 6 years.

Amortisation method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets with indefinite useful lives such as Brands are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### Derecognition

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use and disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset

The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

### e. Inventories

Inventories comprises of traded goods are valued at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, less duties and taxes those are recoverable from government authorities, and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

### f. Retirement and other employee benefits

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., salaries and wages, short term compensated absences and bonus etc., if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Post-employment benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC'). The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability i.e. Gratuity, which comprise actuarial gains and losses are recognised in Other Comprehensive Income (OCI). Remeasurements are not reclassified to profit or loss in subsequent periods. The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### Compensated absences

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an annual independent actuarial valuation using the projected unit cost credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise. The Group presents the leave liability as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### g. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

### h. Financial guarantee contracts

Financial guarantee contracts are recognised as a deemed equity contribution if no premium was paid when guarantee is received. Deemed equity contribution is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

### i. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually

certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

### j. Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

### k. Revenue from contract with customers

The Group earns revenue primarily from retail trading of premium and luxury watches, accessories and other luxury items, marketing and support services and rendering of related after sale services. The Group has concluded that it is the principal in its revenue arrangement because it typically controls goods or services before transferring them to the customers.

Revenue is recognized upon transfer of control of promised products sold or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

At contract inception, the Group assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Group applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Group allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Group is unable to determine the stand-alone selling price the Group uses third-party prices for similar deliverables or the Group uses expected cost plus margin approach in estimating the stand-alone selling price.

The method for recognizing revenues and costs depends on the nature of the products sold and services rendered.

### Sale of goods

Revenue on sale of goods are recognized when the customer obtains control of the specified asset. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Variable Consideration

If the consideration in a contract includes the variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide the customers with a right of return the goods within a specified period.

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

### Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Group's refund liabilities arise from customers' right of return. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

### Customer loyalty programmes

For customer loyalty programmes, the transaction price in respect of initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

### Sale of services

Revenue from services rendered is recognised in profit or loss as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes at the time of completion of service.

### Contract balances

#### Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section of Financial instruments – initial recognition and subsequent measurement.

### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### l. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### m. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### n. Taxes

Income tax expenses comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests

in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax liabilities and assets and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authorities.

Sales tax/Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales tax / GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### o. Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 2 to 10 years
- Furniture 4 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section (s) Impairment of non-financial assets.

#### Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### p. Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, all financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section of Revenue from contracts with customers. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or

convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments designated at fair value through other comprehensive income (FVOCI)

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

#### Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such adoption is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

#### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable adoption to present subsequent changes in the fair value under other comprehensive income. The Group makes such adoption on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Profit or Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit or Loss.

#### Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 180 days or more;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider

otherwise;

- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 months expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost (loans and borrowings)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### q. Impairment of non-financial assets

The Group's non-financial assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of as CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

### r. Foreign currency transactions

#### Initial recognition

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

#### Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when

the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### s. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer/Managing Director as Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

### t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### u. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### v. Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders of the parent by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### w. Measurement of fair values

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised

within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the respective notes.

## 2.4 Changes in accounting policies and disclosures

### New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

#### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

#### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

#### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

## 2.5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2.3(c) – Assessment of useful life of Property, plant and equipment
- Note 2.3(d) – Assessment of useful life of Intangible assets
- Note 2.3 (g) and (i) – Provisions and contingent liabilities
- Note 2.3 (n) – Income taxes

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2024 is included in the following notes:

#### a) Defined benefit plans

The present value of the gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates for the respective countries.

#### b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

#### c) Contingencies

Refer Note 36 – Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources;

#### d) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

- e) **Determining the lease term of contracts with renewal and termination options – Group as lessee:** The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Leases – Estimating the incremental borrowing rate:** The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary

to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

- f) **Useful life of Property, plant and equipment and intangibles:** The management estimates the useful life and residual value of property, plant and equipment and other intangible assets. These assumptions are reviewed at each reporting date.
- g) **Provision for slow and obsolete inventory:** The Parent Company is in business of trading of watches, accessories & luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the Parent Company. The Parent Company on a periodic basis and at each reporting date assess the inventory age listing to identify slow-moving allowance and obsolete inventories and then estimates the amount of inventory provision. In doing so, it estimates the net realisable value of aged inventory based on current selling price of such/similar aged inventory and likely sales volume based discount offered and past sales trend. Also, the Parent Company reviews catalogues of various brands to verify whether all inventory items are appearing in them.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 3. Property, plant and equipment and capital work-in-progress

Particulars	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount (at deemed cost/ cost)</b>							
Balance as at 01 April 2022	2,723.07	353.35	2,205.14	451.85	443.03	6,176.44	-
Additions during the year	933.43	53.60	730.83	223.40	608.91	2,550.17	401.45
Disposals/Capitalisation during the year	(234.41)	(30.83)	(128.84)	(120.19)	(129.98)	(644.25)	-
<b>Balance as at March 31, 2023</b>	<b>3,422.09</b>	<b>376.12</b>	<b>2,807.13</b>	<b>555.06</b>	<b>921.96</b>	<b>8,082.36</b>	<b>401.45</b>
Additions during the year	1,021.76	25.53	1,011.54	264.38	1,136.17	3,459.38	1,071.86
Disposals/Capitalisation during the year	(107.90)	(0.07)	(21.78)	(42.72)	(1,165.16)	(1,337.63)	(771.52)
Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	-	-	(19.19)	-	-	(19.19)	-
<b>Balance as at March 31, 2024</b>	<b>4,335.95</b>	<b>401.58</b>	<b>3,777.70</b>	<b>776.72</b>	<b>892.97</b>	<b>10,184.92</b>	<b>701.79</b>
<b>Accumulated Depreciation</b>							
Balance as at 01 April 2022	1,315.21	45.20	733.03	240.37	116.61	2,450.42	-
Depreciation charge for the year	418.16	21.46	263.89	111.17	80.99	895.67	-
Accumulated depreciation on disposals	(234.41)	(30.83)	(126.45)	(107.11)	(49.34)	(548.14)	-
<b>Balance as at March 31, 2023</b>	<b>1,498.96</b>	<b>35.83</b>	<b>870.47</b>	<b>244.43</b>	<b>148.26</b>	<b>2,797.95</b>	-
Depreciation charge for the year	650.81	27.59	395.88	163.25	126.00	1,363.52	-
Accumulated depreciation on disposals	(107.90)	(0.07)	(18.91)	(17.04)	(155.56)	(299.48)	-
Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	-	-	(1.27)	-	-	(1.27)	-
<b>Balance as at March 31, 2024</b>	<b>2,041.87</b>	<b>63.35</b>	<b>1,246.17</b>	<b>390.64</b>	<b>118.70</b>	<b>3,860.72</b>	-
<b>Net carrying amount</b>							
<b>At March 31, 2023</b>	<b>1,923.13</b>	<b>340.29</b>	<b>1,936.66</b>	<b>310.63</b>	<b>773.70</b>	<b>5,284.41</b>	<b>401.45</b>
<b>At March 31, 2024</b>	<b>2,294.08</b>	<b>338.23</b>	<b>2,531.54</b>	<b>386.08</b>	<b>774.27</b>	<b>6,324.20</b>	<b>701.79</b>

#### Notes:

- Refer note 18 for information on property, plant and equipment pledged as security by the Group.
- Refer note 36 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Addition amount is net of reimbursement received for property, plant and equipment of Nil as at March 31, 2024 (March 31, 2023: 1.09) from brands.
- Deletion amount includes re-imbursement received for property, plant and equipment of Nil as at March 31, 2024 (March 31, 2023: 2.36) from brands.
- The Group has capitalized following expenses to the cost of property, plant and equipment/capital work-in-progress (CWIP) in relation to stores opened/in process of opening.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balances brought forward</b>	<b>41.85</b>	<b>-</b>
Rent Expense	59.79	95.98
Power and Fuel	2.62	1.56
Rates and Taxes	8.80	27.17
Repair and maintenance - Others	10.30	24.15
Legal and professional fees	5.47	29.98
<b>Sub Total</b>	<b>128.83</b>	<b>178.84</b>
Less: Allocated to property, plant and equipment	(96.21)	(136.99)
<b>Closing balance included under Capital Work in Progress</b>	<b>32.62</b>	<b>41.85</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 3. Property, plant and equipment and capital work-in-progress (Contd..)

#### Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2024	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress*	698.97	2.82	-	-	701.79
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>698.97</b>	<b>2.82</b>	<b>-</b>	<b>-</b>	<b>701.79</b>

As at March 31, 2023	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress*	401.45	-	-	-	401.45
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>401.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401.45</b>

\* Capital work in progress is related to opening of new stores based on nature of business.

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2023-24 and 2022-23.

### 4. Intangible assets and Intangible assets under development

Particulars	Brand**	Business Intelligence and Application**	Website	Computer Softwares	Total	Intangible assets under development*
<b>Gross carrying amount (at deemed cost/ cost)</b>						
Balance as at 01 April 2022	-	51.15	41.90	51.11	144.16	-
Additions during the year	4,017.00	-	-	6.34	4,023.34	-
Disposals/Capitalisation during the year	-	-	-	(1.14)	(1.14)	-
<b>Balance as at March 31, 2023</b>	<b>4,017.00</b>	<b>51.15</b>	<b>41.90</b>	<b>56.31</b>	<b>4,166.36</b>	-
Additions during the year	1,439.76	60.73	-	-	1,500.49	491.77
Disposals/Capitalisation during the year	-	-	-	-	-	(60.73)
Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	(1,439.76)	-	-	-	(1,439.76)	(276.57)
<b>Balance as at March 31, 2024</b>	<b>4,017.00</b>	<b>111.88</b>	<b>41.90</b>	<b>56.31</b>	<b>4,227.09</b>	<b>154.47</b>
<b>Accumulated Amortisation</b>						
Balance as at 01 April 2022	-	21.28	21.00	35.58	77.86	-
Amortisation for the year	-	8.52	6.98	3.49	18.99	-
Accumulated amortisation on disposals	-	-	-	(1.14)	(1.14)	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>29.80</b>	<b>27.98</b>	<b>37.93</b>	<b>95.71</b>	-
Amortisation for the year	52.20	9.39	7.00	3.86	72.45	-
Accumulated amortisation on disposals	-	-	-	-	-	-
Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	(52.20)	-	-	-	(52.20)	-
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>39.19</b>	<b>34.98</b>	<b>41.79</b>	<b>115.96</b>	-
<b>Net carrying amount</b>						
<b>At March 31, 2023</b>	<b>4,017.00</b>	<b>21.35</b>	<b>13.92</b>	<b>18.38</b>	<b>4,070.65</b>	-
<b>At March 31, 2024</b>	<b>4,017.00</b>	<b>72.69</b>	<b>6.92</b>	<b>14.52</b>	<b>4,111.13</b>	<b>154.47</b>

\* included upgradation of ERP, Business Centre (BC)

\*\* includes capitalisation of salary of application development team.

#### Note:

a. Refer note 36 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 4. Intangible assets and Intangible assets under development (Contd..)

b. The Group has capitalized following expenses to the cost of Intangible assets under development in relation to design and development cost related to new watches.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening balances brought forward</b>	-	-
Salaries and other benefits	53.15	-
Consultancy Expenses	32.65	-
Sub Total	85.80	-
Less: Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	(85.80)	-
<b>Closing balance included under Capital Work in Progress</b>	<b>-</b>	<b>-</b>

#### Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2024	Amount in IAUD for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	154.47	-	-	-	154.47
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>154.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154.47</b>

As at March 31, 2023	Amount in IAUD for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2023-24 and 2022-23.

There are no restrictions over the title of the Group's intangible assets, nor any intangible assets pledged as security for liabilities.

#### \*\* Impairment Testing of Brand (Ethos)

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. 4017.

The Parent company performed its annual impairment test for the year ended March 31, 2024. The recoverable amount of Intangible Asset (Brand) as at March 31, 2024 was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period.

Key assumptions used for value in use calculations and the sensitivity to changes in these assumptions are as follows:	As at March 31, 2024	As at March 31, 2023
i) Discount Rate <sup>(a)</sup>	10.00%	10.00%
ii) Growth Rate <sup>(b)</sup>	15.00%	15.00%

(a) Discount rate: Discount rate represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Parent company and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Parent company's investors.

(b) Growth rate is based on the Parent company's projection of business and growth of the industry

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the Brand's recoverable amount would fall below its carrying amount.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 5. Investments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Investments accounted for using equity method*</b>		
(Investments accounted for using equity method)		
<b>i) In equity shares of Joint venture</b>		
Unquoted, fully paid up		
- Pasadena Retail Private Limited	275.00	175.00
27,50,000 equity shares of Rs. 10 each fully paid up (March 31, 2023: 17,50,000 equity shares of Rs. 10 each fully paid up) <sup>(a)</sup>		
- Share of Profit / (Loss) in Joint Venture	106.24	32.15
	<b>381.24</b>	<b>207.15</b>
<b>ii) In equity shares of Associate</b>		
Unquoted, fully paid up		
- Silvercity Brands AG		
21,00,000 equity shares of CHF 1 each fully paid up <sup>(b)</sup>	2,068.73	-
- Share of (loss) in associate	(6.78)	-
- Exchange Differences on translation of foreign operations	(42.05)	-
	<b>2,019.90</b>	<b>-</b>
	<b>2,401.14</b>	<b>207.15</b>
<b>B. Investment</b>		
(Investment carried at Fair value through profit or loss)		
<b>i) In the equity of other Companies</b>		
(Investment carried at Fair value through profit or loss)		
Unquoted, fully paid up		
- Haute-rive Watches SA, 8,19,672 equity shares of CHF 0.01 each <sup>(c)</sup>	134.92	-
<b>Aggregate value of unquoted investments</b>	<b>134.92</b>	<b>-</b>

\* Refer Note 41

- a) The Parent company has further invested an amount of Rs. 100 in the paid up share capital of its joint venture company namely, Pasadena Retail Private Limited by subscribing to 10,00,000 equity shares of Rs. 10 each through Rights Issue. During the year ended March 31, 2024, the Parent company owns 50% shareholding (March 31, 2023: 50%) in Pasadena Retail Private Limited.
- b) During the previous year ended March 31, 2023, the Parent company had acquired 100% stake in Silvercity Brands AG, the Swiss stock corporation having its registered seat in Grenchen, Switzerland from Philipp Schaller, c/o Badertscher Rechtsanwälte AG Mühlebachstrasse 32 8008 Zürich. The Share Capital of the company was CHF 100,000, divided into 100,000 registered shares with a nominal value of CHF 1 each and paid-up Share Capital was 50,000 shares for CHF 1 each. The purchase consideration for acquisition of shares was at CHF 50,000 in an all-cash deal. The Parent company paid CHF 50,000 on March 31, 2023. Silvercity Brands AG was wholly owned subsidiary company of Ethos Limited as on March 31, 2023.

During the year ended March 31, 2024, the Parent company has further infused CHF 20,50,000, for issue of 20,50,000 registered shares with nominal value of CHF 1 each in Silvercity Brands AG. As on date, company holds 21,00,000 equity shares of CHF 1 each (equivalent to Rs. 1,919.50 lakhs) in Silvercity Brands AG.

There was a change in the capital structure of Silvercity Brands AG (the wholly owned subsidiary) due to further allotment of 39,00,000 shares of nominal value of CHF 1 each, the shareholding of the Parent company has reduced to 35% from the erstwhile 100%. Owing to this, Silvercity Brands AG ceases to be the wholly owned subsidiary body corporate of the Parent company with effect from March 12, 2024. Henceforth, Silvercity Brands AG shall be identified as an associate of the Parent company.

- c) The Parent company had acquired 6.25% of equity shares, in Switzerland based Company HAUTE-RIVE WATCHES SA, a new specialized watch making brand having registered office at Chemin des Virettes 11, Corcelles, NE for the consideration of CHF 1,25,000 (equivalent to Rs. 112.76 lakhs). The Parent company received the letter for allotment of equity shares on April 28, 2023.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 6. Loans\* (at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Non-current</b>		
(unsecured, considered good)		
Loan to employees		
- to related party <sup>†</sup> (refer note no. 38)	0.70	-
- to others	1.00	5.67
	<b>1.70</b>	<b>5.67</b>
<b>ii) Current</b>		
(unsecured, considered good)		
Loan to employees		
- to related party (refer note no. 38)	7.48	-
- to others	16.25	25.28
	<b>23.73</b>	<b>25.28</b>

The Group's exposure to credit and currency risk, and loss allowances related to other non current financial assets are disclosed in note 33.

### 7. Other financial assets (at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Non-current</b>		
(Unsecured, considered good)		
Security deposits	1,992.44	1,469.00
Fixed Deposits with remaining maturity of more than 12 months from the Balance sheet date <sup>#</sup>	822.20	865.45
Interest accrued but not due on fixed deposits.	2.35	4.80
Application Money in a company <sup>##</sup>	-	112.76
	<b>2,816.99</b>	<b>2,452.01</b>

<sup>#</sup> These deposits include restricted bank deposits amounting to Rs.821.99 (March 31, 2023 : Rs.115.24) on account of deposits pledged as security for bank guarantees.

<sup>##</sup> The Parent company had applied for equity rights of 6.25% , Switzerland based Company "HAUTE-RIVE WATCHES SA". The Parent company had received the letter for allotment of equity shares on April 28, 2023.

Particulars	As at March 31, 2024	As at March 31, 2023
<b>ii) Current</b>		
(Unsecured, considered good unless otherwise stated)		
Security deposits	744.30	969.99
Right of return assets	21.31	6.84
Interest accrued but not due on fixed deposits <sup>†</sup>	821.81	329.74
Advances Recoverable		
- to related parties (refer note no. 38)	100.89	-
- to others.	176.42	204.87
Others <sup>††</sup>	300.27	-
Less: Allowance for bad and doubtful advances recoverable		
- Advances Recoverable	-	(10.51)
	<b>2,165.00</b>	<b>1,500.93</b>

<sup>†</sup> Includes interest on unutilised proceeds from Initial Public Offer (IPO) received amounting to Rs. 2.50 (March 31, 2023: Rs. 306.25) which have been temporarily invested in deposits with scheduled banks. Refer note 47.

And also includes interest for the period from Nov 03, 2023 to March 31, 2024 on unutilised proceeds from Qualified institutional placement (QIP) received amounting to Rs.458.22 which have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank and monitoring agency bank account. Refer note 48.

<sup>††</sup> Includes consideration receivable for sale of vehicle.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 8. Non-current tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current tax assets (net of provision)	209.58	234.79
	<b>209.58</b>	<b>234.79</b>

### 9. Deferred tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Significant components of the Group's net deferred tax assets are as follows:		
Deferred tax assets	3,907.77	3,325.19
Deferred tax liabilities	(3,003.86)	(2,464.57)
<b>Net deferred tax assets</b>	<b>903.91</b>	<b>860.62</b>

Year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets:</b>				
<b>Deferred tax assets on</b>				
Property, plant and equipment and Intangible assets	197.79	(23.14)	-	174.66
Allowance for doubtful debts and advances	4.76	0.32	-	5.08
Provision for employee benefits	248.56	(49.77)	3.75	202.55
Provision - other expenses	38.57	(3.72)	-	34.85
Lease liabilities	2,829.95	640.96	-	3,470.89
Exchange Differences on translation of foreign operations	-	10.58	-	10.58
Others #	5.55	3.62	-	9.17
<b>Deferred tax liability on</b>				
Claim receivable taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
Gain on investments carried at fair value through profit or loss	-	(5.58)	-	(5.58)
Right of use assets	(2,457.30)	(516.75)	-	(2,974.06)
Gain on investments accounted for using equity method	-	(16.96)	-	(16.96)
<b>Net deferred tax assets</b>	<b>860.62</b>	<b>39.58</b>	<b>-</b>	<b>903.91</b>

Year ended March 31, 2023	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred tax assets:</b>				
<b>Deferred tax assets on</b>				
Property, plant and equipment and Intangible assets	383.80	(186.00)	-	197.79
Allowance for doubtful debts and advances	13.50	(8.74)	-	4.76
Provision for employee benefits	145.31	97.27	5.99	248.56
Provision - other expenses	37.95	0.62	-	38.57
Lease liabilities	2,539.03	290.92	-	2,829.95
Others #	4.53	1.02	-	5.55
<b>Deferred tax liability on</b>				
Claim receivable taxable on receipt basis under Income tax Act	(7.27)	-	-	(7.27)
Right of use assets	(2,210.68)	(246.63)	-	(2,457.30)
<b>Net deferred tax assets</b>	<b>906.17</b>	<b>(51.54)</b>	<b>5.99</b>	<b>860.62</b>

# Include primarily deposits amortisation and interest income thereon as per Ind AS 109

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 10. Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good)</b>		
Capital advances (Refer note no 38 for related party)	295.73	144.05
Advances other than capital advances		
- Prepaid expenses	6.47	7.06
- CENVAT credit receivable	55.57	104.13
	<b>357.77</b>	<b>255.24</b>

### 11. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(At lower of cost and net realisable value)</b>		
Stock-in-trade [including goods-in-transit Rs.97.66 (March 31, 2023: Rs.120.75)]	43,969.18	33,987.29
	<b>43,969.18</b>	<b>33,987.29</b>

#### Notes:-

- As on March 31, 2024, Rs.132.44 (March 31, 2023: Rs.40.40) was recognised as an expense for inventories carried at net realisable value.
- The Parent Company mainly is in business of retail trading of premium and luxury watches, accessories & luxury items and rendering of related after sale services and consists of inventory of watches at various stores of the Parent Company. The Parent Company on a periodic basis physically verifies the inventory and makes an assessment of the inventory age listing to identify the slow-moving and obsolete inventories. The exercise has been carried out throughout the year and also at the year end. Considering the fact that, the Parent Company mainly is into the business of trading of high-end luxury watches, the holding period for the same is higher and identification of slow-moving and obsolete inventories involved judgements considering the nature of the retail industry.

### 12. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good unless otherwise stated)</b>		
Trade receivables #		
- Related parties (Refer note no. 38)	94.79	220.12
- Others	1,462.40	397.62
	<b>1,557.19</b>	<b>617.74</b>
Break-up of trade receivables:		
Trade Receivables		
Considered good	1,557.19	617.74
Credit impaired	15.68	3.91
	<b>1,572.87</b>	<b>621.65</b>
Impairment Allowance (allowance for doubtful debts)		
Credit impaired	(15.68)	(3.91)
	<b>1,557.19</b>	<b>617.74</b>

Trade receivables are non-interest bearing and generally on terms of 0 to 120 days.

There is due from Directors amounting to Rs. 22.14 (March 31, 2023: Rs. 28.64). There are also due from private companies in which Director is partner, director or member amounting to Rs. Nil (March 31, 2023: Rs. 152.03)

There are no unbilled receivables, hence the same is not disclosed in ageing schedule.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 12. Trade receivables (Contd..)

As at March 31, 2024	Outstanding for following periods from the date of transaction					Total
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	
Undisputed Trade Receivable - considered good	1,467.43	79.47	10.29	-	-	1,557.19
Undisputed Trade Receivable- which have significant increase in credit risk	15.68	-	-	-	-	15.68
<b>Total</b>	<b>1,483.11</b>	<b>79.47</b>	<b>10.29</b>	<b>-</b>	<b>-</b>	<b>1,572.87</b>

As at March 31, 2023	Outstanding for following periods from the date of transaction					Total
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	
Undisputed Trade Receivable - considered good	443.93	10.27	0.02	-	163.52	617.74
Undisputed Trade Receivable- which have significant increase in credit risk	3.91	-	-	-	-	3.91
<b>Total</b>	<b>447.84</b>	<b>10.27</b>	<b>0.02</b>	<b>-</b>	<b>163.52</b>	<b>621.65</b>

# The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 33.

### 13. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in		
- Current accounts*	2,319.34	1,857.57
- Fixed Deposits with original maturity of less than three months**	3,153.00	500.00
Cheques and drafts on hand	-	71.94
Cash on hand	245.68	106.53
Others		
- Credit cards receivable	339.89	252.83
	<b>6,057.91</b>	<b>2,788.87</b>

\* Balance as on March 31, 2024 includes Rs. 59.84 (March 31, 2023: Rs. 133.09) balance of unutilised Initial Public Offer (IPO) proceed with monitoring agency bank account. Refer note 47.

Balance as on March 31, 2024 includes Rs. 0.64 balance of unutilised Qualified Institutional Placement (QIP) proceed with monitoring agency bank account. Refer note 48.

\*\* Fixed deposits include balance of Initial Public Offer (IPO) proceeds of Rs.2,603 (March 31, 2023: Rs. 500) which will be utilised as stated in the prospectus of IPO. Net unutilised proceeds from IPO as on March 31, 2024 have been temporarily invested in deposits with scheduled bank. Refer note 47.

### 14. Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed Deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance sheet date #	28,488.15	20,074.43
	<b>28,488.15</b>	<b>20,074.43</b>

# These deposits include restricted bank deposits amounting to Rs.1,031.93 (March 31, 2023 : Rs. 480.27) on account of deposits pledged as security for bank guarantees and earmarked against deposits from shareholders. Also, fixed deposits include balance of qualified institutional placement (QIP) proceeds of Rs.16,959 which will be utilised as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on March 31, 2024 have been temporarily invested in deposits with scheduled bank. Refer note 48.

Balance as on March 31, 2023 includes, Rs. 19,000 received on account of Initial Public Offer (IPO)

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 15. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(Unsecured, considered good unless otherwise stated)</b>		
Prepaid expenses	69.89	52.82
Advances for supply of goods		
- Related parties (Refer note 38)	0.35	1,372.57
- Others	825.57	484.57
Advances to employees		
- Related parties (Refer note 38)	-	6.35
- Others	42.99	30.15
GST credit receivable	3,073.62	2,797.84
VAT recoverable	3.40	3.40
Deposit under protest	52.53	52.53
Duty Credit Scrips	23.57	16.17
Other recoverable #	56.89	46.15
Less: Allowance for bad and doubtful advances/recoverable		
- Advance for supply of goods	(4.49)	(4.49)
	<b>4,144.31</b>	<b>4,858.06</b>

# mainly includes amount recoverable from insurance company.

### 16 . Share capital

Particulars	As at March 31, 2024	
	Number of shares	Amount
<b>Authorised</b>		
Equity shares of Rs.10 each	3,07,00,000	3,070.00
14% cumulative compulsory convertible preference shares of Rs.130 each	5,76,924	750.00
12% cumulative redeemable preference shares of Rs.110 each	12,00,000	1,320.00
12% non-cumulative redeemable preference shares of Rs.100 each	10,00,000	1,000.00
	<b>3,34,76,924</b>	<b>6,140.00</b>
Issued, subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	<b>2,44,80,443</b>	<b>2,448.04</b>

Particulars	As at March 31, 2023	
	Number of shares	Amount
<b>Authorised</b>		
Equity shares of Rs.10 each	3,07,00,000	3,070.00
14% cumulative compulsory convertible preference shares of Rs.130 each	5,76,924	750.00
12% cumulative redeemable preference shares of Rs.110 each	12,00,000	1,320.00
12% non-cumulative redeemable preference shares of Rs.100 each	10,00,000	1,000.00
	<b>3,34,76,924</b>	<b>6,140.00</b>
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,33,49,233	2,334.92
	<b>2,33,49,233</b>	<b>2,334.92</b>

#### (a) Right preferences and restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The voting rights of an equity shareholder on show of hand or through proxy shall be in proportion to his share of the paid up capital of the Company. The Parent Company declares and pays dividends in Indian Rupees. The Dividend proposed by the Board of Directors (Except for interim dividend) is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company the holders of equity shares will be entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 16 . Share capital (Contd..)

#### (b) Reconciliation of shares outstanding

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	2,33,49,233	2,334.92
Add: Issued during the year <sup>*</sup>	11,31,210	113.11
<b>At the end of the year</b>	<b>2,44,80,443</b>	<b>2,448.04</b>

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	1,90,78,163	1,907.82
Add: Issued during the year <sup>**</sup>	42,71,070	427.10
<b>At the end of the year</b>	<b>2,33,49,233</b>	<b>2,334.92</b>

<sup>\*</sup> During the current year, the Parent Company has issued and allotted 11,31,210 Equity Shares of face value of Rs. 10 each at an issue price of Rs. 1.547 per share (including securities premium of Rs. 1,537 per share) aggregating to Rs. 17,499.82 under Qualified Institution Placement (QIP).

Consequent to allotment of aforesaid equity shares on November 3, 2023, the paid-up equity share capital of the Parent Company stands increased from Rs. 2,334.92 consisting of 2,33,49,233 equity shares of Rs. 10 each to Rs. 2,448.04 consisting of 2,44,80,443 Equity Shares of Rs. 10 each. Refer Note 48.

<sup>\*\*</sup> During the previous year, the Parent Company has issued and allotted 42,71,070 Equity Shares of Rs.10 each pursuant to Initial Public Offering at a securities premium of Rs.868 per share under Fresh Issue and offer for sale of 3,10,430 Equity Shares at an Offer Price of Rs.878 per Equity Share, to the respective applicants in various categories, in terms of the basis of allotment approved in consultation with the authorized representative of BSE Limited. The equity shares of the Parent Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022. Refer Note 47.

#### (c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by		
KDDL Limited (holding company and ultimate holding company)	1,15,13,877	1,151.39
Mahen Distribution Limited (fellow subsidiary)	16,64,534	166.45

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by		
KDDL Limited (holding company and ultimate holding company)	1,19,79,507	1,197.95
Mahen Distribution Limited (fellow subsidiary)	22,79,142	227.91

#### (d) Particulars of shareholders holding more than 5% shares of the Parent Company

Particulars	As at March 31, 2024	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by		
KDDL Limited	1,15,13,877	47.03%
Mahen Distribution Limited	16,64,534	6.80%
ICICI Prudential Flexicap Fund	14,74,878	6.02%

Particulars	As at March 31, 2023	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up held by		
KDDL Limited	1,19,79,507	51.31%
Mahen Distribution Limited	22,79,142	9.76%
ICICI Prudential Flexicap Fund	14,60,304	6.25%

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 16 . Share capital (Contd..)

#### (e) Bonus shares, shares buyback and issue of shares without consideration being received in cash (during five years immediately preceding March 31, 2024).

During the five years immediately preceding March 31, 2024 ('the period'), neither any bonus shares have been issued nor any shares have been bought back. In addition, during the period, no shares have been issued for consideration other than cash except as follows:-

- During the year ended March 31, 2020, 576,293 14% cumulative compulsory convertible preference shares of Rs.130 each were converted into 576,923 equity shares of Rs.10 each at a premium of Rs.120 per share. Further, 15,000 equity shares of Rs.10 each had been issued under employee stock option plans for which only exercise price had been received in cash.
- During the year ended March 31, 2022, 104,750 equity shares of Rs.10 each had been issued under employee stock option plans for which only exercise price had been received in cash.

#### (f) Promoters Shareholdings

##### Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2024		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,15,13,877	47.03%	(4.27%)
2) Mahen Distribution Limited	16,64,534	6.80%	(2.96%)
3) Mr. Yashovardhan Saboo	138	0.00%	(0.64%)
<b>Total</b>	<b>1,31,78,549</b>	<b>53.83%</b>	

##### Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2023		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,19,79,507	51.31%	(12.22%)
2) Mahen Distribution Limited	22,79,142	9.76%	(2.26%)
3) Mr. Yashovardhan Saboo	1,50,138	0.64%	(1.34%)
<b>Total</b>	<b>1,44,08,787</b>	<b>61.71%</b>	

### 17. Other equity

#### (also refer to Statement of Changes in Equity)

##### (i) Deemed capital contribution

- Includes Rs.14.51 towards fair value of guarantees given by the holding company of parent company in the earlier years.
- Includes Rs.36.00 towards interest accrued on 12% cumulative redeemable preference shares, classified as finance cost, which is no longer payable at the time of redemption.

##### Nature and purpose of reserves

##### (ii) Capital reserve

Reserve created under the scheme of arrangement (Business Combination). This will be utilised in accordance with the provisions of the Companies Act, 2013.

##### (iii) Securities premium

Securities premium represents the excess consideration received by the Group over the face value of the shares issued to shareholders. This will be utilised in accordance with the provisions of the Companies Act, 2013.

The Parent Company, at its IPO meeting held on May 26, 2022 approved allotment of 42,71,070 Equity Shares of Rs. 10 each pursuant to Initial Public Offering at a securities premium of Rs.868 per share under Fresh Issue and offer for sale of 3,10,430 Equity Shares at an Offer Price of Rs.878 per Equity Share, to the respective applicants in various categories, in terms of the basis of allotment approved in consultation

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 17. Other equity (Contd..)

with the authorized representative of BSE Limited. The equity shares of the Parent Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022. The total offer expenses in relation to share issued amounting to Rs.3,531.05 has been adjusted against securities premium. Refer note 47.

The Parent Company, at its QIP meeting held on November 03, 2023 approved allotment of 11,31,210 Equity Shares of Rs.10 each pursuant to Qualified institutional placement at a securities premium of Rs.1,537 per share under Private Placement, to eligible qualified institutional buyers. The total offer expenses in relation to share issued amounting to Rs.540.18 has been adjusted against securities premium. Refer Note 48.

#### (iv) Retained earnings

Retained earnings are the profit that the Group has earned till date, less dividends or other distributions paid to shareholders. Retained earnings includes re-measurement (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to statement of Profit and Loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

#### (vi) Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

### 18. Borrowings

#### i) Non-current borrowings

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Term-loans			
From banks (secured)	(a)	20.13	118.08
From others (secured)	(a)	22.65	-
Deposits from shareholders (unsecured)[refer to note 38 for related party disclosure (c)]	(b)	627.07	637.07
<b>Total non-current borrowings (including current maturities)</b>		<b>669.85</b>	<b>755.15</b>
Less : Current maturities of non-current borrowings [refer to note 18(ii)]		(463.87)	(43.38)
		<b>205.98</b>	<b>711.77</b>

#### Notes:

a) Vehicle loans from banks amounting to Rs.20.13 (March 31, 2023: Rs.118.08 ) are secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loans varies from 7.10% to 9.25% per annum (March 31, 2023: 7.10% to 9.25%). The above loans are repayable in monthly instalments within a period of next one to three years as per repayment schedule.

Vehicle loan from others amounting to Rs.22.65 (March 31, 2023: Nil ) is secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loan is 8.88% per annum (March 31, 2023: Nil). The above loan is repayable in monthly instalments within a period of next one to four years as per repayment schedule.

b) Deposits from Shareholders carry an interest rate ranging between 10.25% to 10.75% (March 31, 2023: 10.25% to 10.75%) per annum and carry a maturity period from 24 to 36 months from the respective date of deposits.

#### ii) Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Other Loans		
- Deposits from shareholders (unsecured) [Refer Note 38 for related parties disclosure]	-	43.87
Current maturities of non-current borrowings [refer note 18 (i)]	463.87	43.38
	<b>463.87</b>	<b>87.25</b>

#### Notes:

c) The fixed rate of interest on deposit from shareholders for maturity period of one year in the current year is Nil (March 31, 2023: 9.50% per annum).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 18. Borrowings (Contd..)

d) The Parent Company has filed quarterly statements of current assets with the banks in agreement with the books of accounts.

#### Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Balance as at the beginning of the year (including current and non-current borrowings)</b>	<b>799.02</b>	<b>5,942.23</b>
Proceeds from non-current borrowings	26.75	178.60
Repayment of non-current borrowings	(112.05)	(3,081.45)
Proceeds from/repayments of other current borrowings (net)	(43.87)	(2,240.36)
<b>Balance as at the end of the year (including current and non-current borrowings)</b>	<b>669.85</b>	<b>799.02</b>

#### Movement of Interest accrued

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>54.10</b>	<b>216.10</b>
Interest Expense	1,599.14	1,404.56
Interest Paid	(1,547.85)	(1,566.56)
<b>Balance as at the end of the year</b>	<b>105.39</b>	<b>54.10</b>

### 19. Other financial Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Non-current</b>		
Interest Accrued but not due on deposits*	34.59	47.15
	<b>34.59</b>	<b>47.15</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>ii) Current</b>		
Refund Liabilities	41.25	12.38
Capital creditors	410.62	190.99
Salaries, wages and bonus and other employee payable*	1,840.61	851.52
Interest accrued but not due on borrowings*	66.62	3.11
	<b>2,359.10</b>	<b>1,058.00</b>

\* Refer note 38 for related parties disclosure

### 20. Employee benefit obligations

Particulars	As at March 31, 2024	As at March 31, 2023
<b>i) Non-current</b>		
Provision for employee benefits		
Provision for gratuity (Refer note 35)	249.50	192.35
	<b>249.50</b>	<b>192.35</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>ii) Current</b>		
Provision for employee benefits		
Provision for gratuity (Refer note 35)	59.67	37.79
Provision for compensated absences	403.00	352.77
	<b>462.67</b>	<b>390.56</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 21. Trade payables\*

Particulars	As at March 31, 2024	As at March 31, 2023
- Micro enterprises and small enterprises #	265.95	50.95
- Trade payables to related parties (Refer to note 38)	4.25	79.60
- Other trade payables	9,326.57	9,527.79
	<b>9,596.77</b>	<b>9,658.34</b>

#### Trade Payable Ageing Schedule

As at March 31, 2024	Outstanding for following periods from due date of payment					Total
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	259.64	6.52	-	-	-	266.16
Total outstanding dues of creditors other than micro enterprises and small enterprises	677.17	8,234.66	88.70	0.04	-	9,000.57
Disputed dues of creditors other than micro enterprises and small enterprises**	-	-	17.08	4.89	308.07	330.04
<b>Total</b>	<b>936.81</b>	<b>8,241.18</b>	<b>105.78</b>	<b>4.93</b>	<b>308.07</b>	<b>9,596.77</b>

As at March 31, 2023	Outstanding for following periods from due date of payment					Total
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	50.95	-	-	-	50.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	948.43	8,171.92	0.04	-	-	9,120.39
Disputed dues of creditors other than micro enterprises and small enterprises**	-	0.77	76.96	268.23	141.04	487.00
<b>Total</b>	<b>948.43</b>	<b>8,223.64</b>	<b>77.00</b>	<b>268.23</b>	<b>141.04</b>	<b>9,658.34</b>

\* There are Rs.6.11 for March 31, 2024 (March 31, 2023: 30.53) of micro enterprises and small enterprises, to whom the group owes dues, which are outstanding for more than 45 days as at the end of the year. The information as required to be disclosed in relation to micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the group.

\*\*Note: Disputed dues of creditors mentioned above includes certain balances which are not paid on account of pending reconciliation with vendor. Payment for these balances will be released after final reconciliation with vendors.

## includes unbilled dues of Rs.480.54 (March 31, 2023: Rs.454.68).

Particulars	As at March 31, 2024	As at March 31, 2023
(a) The principal amount remaining unpaid to any supplier at the end of the year	374.05	50.95
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of year	2.25	2.25
(c) The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ( "MSMED Act"); along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of year	2.25	2.25
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expense under the MSMED Act	-	-

\* The Group's exposure to currency and liquidity risk related to trade payables is disclosed in note 33.

Trade payables are non-interest bearing and are normally settled within 60-120 day terms.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 22. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred revenue	564.30	422.84
Statutory dues	203.18	198.93
Advances from customers	652.24	754.64
Interest payable-others	4.18	3.84
	<b>1,423.90</b>	<b>1,380.25</b>

Below is the movement of Deferred revenue:-

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>422.84</b>	<b>262.65</b>
Add: Loyalty points created during the year	682.55	494.01
Less: Loyalty points redeemed/expired during the year	(541.09)	(333.82)
<b>Balance as at the end of the year</b>	<b>564.30</b>	<b>422.84</b>

### 23. Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net)	39.18	20.77
	<b>39.18</b>	<b>20.77</b>

### 24. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers		
Sale of products (net of applicable tax)	99,308.81	78,380.01
Sale of services	590.40	473.36
	<b>99,899.21</b>	<b>78,853.37</b>

Revenue from contract with the customers differ from the revenue as per contracted price due to factors such as loyalty points. The timing of revenue recognition for sale of products is when goods are transferred at a point of time. Customers are entitled to loyalty points on purchase of products which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed. The Loyalty points can be redeemed within 15 months from the date of creation. The performance obligation in relation to sale of services is satisfied upon completion of service.

#### Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	1,00,040.67	79,013.56
Less: (Creation) of loyalty points	(141.46)	(160.19)
	<b>99,899.21</b>	<b>78,853.37</b>

#### Contract balances

The following table provides information about receivables, contract assets and contract liabilities from customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade Receivables (Refer Note No. 12)	1,557.19	617.74
Deferred revenue (Refer Note No. 22)	564.30	422.84
Advances from customers (Refer Note No. 22)	652.24	754.64

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 25. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under the effective interest rate method on		
- Fixed Deposits	1,679.37	1,080.71
- Security deposits at amortised cost	149.33	113.28
Provisions/liabilities no longer required written back	166.04	147.42
Allowance for doubtful debts written back	-	5.73
Profit on disposal of property, plant & equipment (Net)	55.76	12.81
Fair value gain on investments carried at fair value through profit or loss	22.16	-
Gain on deemed disposal of subsidiary (refer note 49)	225.80	-
Miscellaneous Income*	63.22	96.09
	<b>2,361.68</b>	<b>1,456.04</b>

\* mainly includes gain on early termination of lease liabilities and income on account of cross charge of certain services.

### 26. Changes in inventory of stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	33,987.29	24,993.29
Less: Inventory at the end of the year	(43,969.18)	(33,987.29)
<b>(Increase)/ Decrease in inventory</b>	<b>(9,981.89)</b>	<b>(8,994.00)</b>

### 27. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	6,531.25	4,839.58
Contribution to provident and other funds (Refer Note 35)	288.99	218.22
Staff welfare expenses	216.14	210.37
	<b>7,036.38</b>	<b>5,268.17</b>

### 28. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on borrowings	84.24	243.14
Interest on lease liabilities (Refer note 37)	1,511.36	1,152.91
Interest on delay in deposit of income tax	3.54	8.51
Other borrowing cost	2.66	11.50
	<b>1,601.80</b>	<b>1,416.06</b>

### 29. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 3)	1,363.52	895.67
Amortisation of intangible assets (Refer note 4)	72.45	18.99
Depreciation of Right-of-use of assets (Refer note 37)	3,431.49	2,548.43
	<b>4,867.46</b>	<b>3,463.09</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 30. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	266.62	202.11
Service cost expense	455.18	449.20
Insurance	121.50	101.36
Rent (net of reimbursements of Rs. 13.11 (March 31, 2023: Rs. 46.93)) (Refer note 37)	820.48	955.65
Rates and taxes	146.17	66.54
Repair and maintenance- Others	906.94	667.08
Foreign exchange loss (net)	98.28	280.53
Travelling and conveyance	688.16	517.27
Advertisement and sales promotion (Refer note 38)	2,100.17	2,683.39
Directors sitting fees and commission	33.65	105.43
Printing and stationery	41.21	32.69
Recruitment expenses	57.05	45.87
Telephone and telex	84.43	75.58
Postage and telegram (a)	387.80	296.60
Legal and professional fees	504.22	293.25
Bank charges	601.46	601.80
Allowance for bad and doubtful debts	1.26	-
Advances/deposits/Bad debts written off (Net)(b)	39.40	15.98
Property, plant and equipment written off	8.87	-
Corporate Social Responsibility expenditure (Refer note 40)	78.43	25.63
Miscellaneous expenses	414.02	289.67
	<b>7,855.30</b>	<b>7,705.63</b>

#### (a) Includes payment to auditors (excluding taxes as applicable)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor		
Statutory audit	18.00	17.10
Limited review of special purpose quarterly results	8.50	7.50
In other capacity		
Certification work etc.*	7.05	2.43
Reimbursement of expenses	1.81	1.48
	<b>35.36</b>	<b>28.51</b>

\* Excluding Rs.72.36 (31 March 2023: Rs.51.38) which are considered as part of offer expenses under initial public offer (Refer Note 49)

#### (b) Movement of Advances / deposits/Bad debts written off

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bad debts / Advances written off	39.40	44.98
Less: Provision for doubtful debts / advances adjusted	-	(29.00)
	<b>39.40</b>	<b>15.98</b>

### 31. Tax expense

#### a) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
Current year	2,786.45	2,001.09
Changes in estimates related to prior years	44.29	(14.80)
	<b>2,830.74</b>	<b>1,986.29</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 31. Tax expense (Contd..)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Attributable to-		
Deferred tax		
Origination and reversal of temporary differences	15.53	38.35
Changes in estimates related to prior years	(44.52)	13.19
<b>Total tax expense recognised during the period</b>	<b>2,801.75</b>	<b>2,037.83</b>

The above tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Profit before tax*</b>	<b>11,131.21</b>	<b>8,067.65</b>
Tax at the Indian tax rate*	2,779.57	2,029.12
Effect of expenses that are not deductible in determining taxable profit	22.41	10.31
Effect of tax (benefit) / expense pertaining to prior years	(0.23)	(1.60)
<b>Income tax expense recognised in statement of profit and loss</b>	<b>2,801.75</b>	<b>2,037.83</b>

\* The tax rate used for the current tax reconciliation above is the corporate tax rate of 25.168% (Previous year 25.168%) for the parent company and 34.944% (Previous year 34.944%) for subsidiary payable by corporate entities in India on taxable profits under the Indian tax law.

### b) Income tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	3.75	5.99
Total income tax recognised in other comprehensive income	<b>3.75</b>	<b>5.99</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	3.75	5.99
	<b>3.75</b>	<b>5.99</b>

### 32. Earnings per share

#### A. Basic earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i Profit for basic earning per share of Rs.10 each		
Profit for the year	8,329.46	6,029.82
ii Weighted average number of equity shares for (basic)		
Opening Balance	2,33,49,233	1,90,78,163
Effect of fresh issue of shares	4,64,881	36,27,484
	<b>2,38,14,114</b>	<b>2,27,05,647</b>
<b>Basic Earnings per share (face value of Rs.10 each)</b>	<b>34.98</b>	<b>26.56</b>

#### B. Diluted earnings per share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i Profit for diluted earning per share of Rs.10 each	8,329.46	6,029.82
ii Weighted average number of equity shares for diluted		
Opening Balance	2,33,49,233	1,90,78,163
Effect of fresh issue of shares	4,64,881	36,27,484
	<b>2,38,14,114</b>	<b>2,27,05,647</b>
Diluted earnings per share (face value of Rs.10 each)	<b>34.98</b>	<b>26.56</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management

#### I. Accounting classification & Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at March 31, 2024			As at March 31, 2023		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
<b>Financial assets</b>								
<b>Non-current</b>								
Investment	(d)	3	134.92	-	-	-	-	-
Loans	(c)	3	-	1.70	-	-	5.67	-
Other financial assets	(c)	3	-	2,816.99	-	-	2,452.01	-
<b>Current</b>								
Trade receivables	(a)	3	-	1,557.19	-	-	617.74	-
Cash and cash equivalents	(a)	3	-	6,057.91	-	-	2,788.87	-
Other bank balances	(a)	3	-	28,488.15	-	-	20,074.43	-
Loans		3	-	23.73	-	-	25.28	-
Other financial assets		2	-	2,165.00	-	-	1,500.93	-
<b>Total</b>			<b>134.92</b>	<b>41,110.67</b>	<b>-</b>	<b>-</b>	<b>27,464.93</b>	<b>-</b>
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings	(b)	3	-	205.98	-	-	711.77	-
Other Non current financial Liabilities	(c)	3	-	34.59	-	-	47.15	-
<b>Current</b>								
Borrowings (including current maturities)	(b)	3	-	463.87	-	-	87.25	-
Trade payables	(a)	3	-	9,596.77	-	-	9,658.33	-
Other financial liabilities	(a)	2	-	2,359.10	-	-	1,058.00	-
<b>Total</b>			<b>-</b>	<b>12,660.31</b>	<b>-</b>	<b>-</b>	<b>11,562.50</b>	<b>-</b>

#### Notes:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates. The own non-performance risk as at balance sheet date was assessed to be insignificant.
- The fair valuation of other non current financial assets and other non current financial liabilities are approximately equivalent to carrying value.
- The fair valuation of unquoted equity shares have been estimated using DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cashflows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fairvalue for these unquoted equity investments.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024 and March 31, 2023.

#### II. Financial risk management

##### (i) Risk management framework

The Parent Company's risk management committee has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Parent Company's audit committee oversees how management monitors compliance with Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Group. The audit committee is

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management (Contd..)

assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Group has exposure to the following risks arising from financial instruments:

-Credit risk (see (ii));

-Liquidity risk (see (iii));and

-Market risk (see (iv))

#### (ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group's receivable from customers and loans.

#### Trade receivables and Loans

The Group's retail business is pre-dominantly on cash and carry basis which is largely through credit-card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Group has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Group by credit worthiness checks. The Group also carries credit risk on lease deposits with landlords for store properties taken on leases, for which agreements are signed and property possessions timely taken for store operations. The risk relating to refunds after store shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Group's experience of delinquencies and customer disputes have been minimal. Further, trade and other receivables consist of a large number of customers, across geographies within India, hence, the Group is not exposed to concentration risks.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>3.91</b>	<b>15.79</b>
Provision created during the year	11.77	-
Provision utilised/reversed during the year	-	(11.88)
<b>Balance as at the end of the year</b>	<b>15.68</b>	<b>3.91</b>

The movement in the allowance for doubtful advances/recoverable is as follows: (Refer Note 7 & 15)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance as at the beginning of the year</b>	<b>15.00</b>	<b>37.85</b>
Provision created during the year	-	-
Provision utilised/reversed during the year	(10.51)	(22.85)
<b>Balance as at the end of the year</b>	<b>4.49</b>	<b>15.00</b>

#### Cash and cash equivalents

The Group holds cash and cash equivalents of Rs.6,057.91 at March 31, 2024 (March 31, 2023: Rs.2,788.87). The cash and cash equivalents are mainly held with scheduled banks.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management (Contd..)

#### (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group will continue to consider various borrowings of leasing options to maximize liquidity and supplement cash requirements as necessary. Post completion of Initial Public Offer, The Company has repaid all working capital loans / limits and part of shareholder deposits and also, surrendered the sanctioned borrowing limits. Presently, no amount is drawn against the limits and entire sanction limit of Rs. 1,250 is underdrawn as on March 31, 2024.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

#### March 31, 2024

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
- Borrowings	669.85	735.46	499.84	235.62	-
- Trade payables	9,596.77	9,596.77	9,596.77	-	-
- Lease Liabilities	13,831.86	17,911.07	4,069.80	12,101.19	1,740.07
- Capital creditors	410.62	410.62	410.62	-	-
- Salaries, wages and bonus and other employee payable	1,840.61	1,840.61	1,840.61	-	-
- Interest accrued but not due on borrowings	101.21	101.21	101.21	-	-
- Refund Liabilities	41.25	41.25	41.25	-	-
	<b>26,492.17</b>	<b>30,637.00</b>	<b>16,560.10</b>	<b>12,336.81</b>	<b>1,740.07</b>

#### March 31, 2023

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
- Borrowings	799.02	981.73	100.54	881.19	-
- Trade payables	9,658.33	9,658.33	9,658.33	-	-
- Lease Liabilities	11,273.55	15,110.97	3,478.47	9,156.18	2,476.32
- Capital creditors	190.99	190.99	190.99	-	-
- Salaries, wages and bonus and other employee payable	851.52	851.52	851.52	-	-
- Interest accrued but not due on borrowings	50.26	50.26	3.11	47.15	-
- Refund Liabilities	12.38	12.38	12.38	-	-
	<b>22,836.05</b>	<b>26,856.18</b>	<b>14,295.34</b>	<b>10,084.52</b>	<b>2,476.32</b>



## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management (Contd..)

#### (iv) Market Risk

##### a) Product price risk

In a potentially inflationary economy, the Group expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. Since the Group operates in premium and luxury watches category, the demand is reasonably inelastic to changes in price. However, the Group continually monitor and compares prices of its products in other developed markets as its customers tend to compare prices across markets. In the event that prices deviate significantly unfavourably from the markets, the Group negotiates with its vendor for change of prices. The Group also manages the risk by offering judicious product discounts to retail customers to sustain volumes. The Group negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Group protect itself from significant product margin losses.

##### b) Interest rate risk

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. As on March 31, 2024, all the borrowings at have fixed rate of interest. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Fixed rate borrowings	669.85	799.02
Floating rate borrowings	-	-
	<b>669.85</b>	<b>799.02</b>

#### Interest rate sensitivity analysis

A reasonably possible change of 0.50 % in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis has been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of liability outstanding on the year-end was outstanding for the whole year.

Particulars	Profit / (Loss) before tax	
	Strengthening	Weakening
For the year ended 31 March 2024		
Interest rate (0.5% movement)	-	-
For the year ended 31 March 2023		
Interest rate (0.5% movement)	-	-

##### c) Currency risk

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which purchases are denominated and the functional currency of the Group. The currencies in the which the Group is exposed to risk are CHF, USD, AED, AUD, SGD, and EUR. The Group evaluates this risk on a regular basis and appropriate risk mitigating steps are taken, including but not limited, entering into forward contracts.

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the group is as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>CHF</b>		
Trade payables (net of receivable)	1,652.82	1,693.59
Less: Cash & Cash equivalents	88.20	-
<b>Net exposure of recognised financial liability</b>	<b>1,564.62</b>	<b>1,693.59</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management (Contd..)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>USD</b>		
Trade payables (net of receivable)	260.67	175.48
Less: Cash & Cash equivalents	8.82	4.28
<b>Net exposure of recognised financial liability</b>	<b>251.85</b>	<b>171.20</b>
<b>AED</b>		
Trade payables (net of receivable)	27.83	-
<b>Net exposure of recognised financial liability</b>	<b>27.83</b>	<b>-</b>
<b>AUD</b>		
Cash & Cash equivalents	1.02	-
<b>Net surplus of recognised financial Assets</b>	<b>(1.02)</b>	<b>-</b>
<b>SGD</b>		
Trade payables (net of receivable)	7.67	129.06
<b>Net exposure of recognised financial liability</b>	<b>7.67</b>	<b>129.06</b>
<b>EUR</b>		
Trade payables (net of receivable)	56.98	216.53
Less: Cash & Cash equivalents	0.27	1.96
<b>Net exposure of recognised financial liability</b>	<b>56.72</b>	<b>214.57</b>

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of CHF, USD, AED, AUD, SGD and EUR against INR (₹) at the end of the year, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact on forecast purchases.

As at March 31, 2024	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (1% movement)	(15.65)	15.65
SGD (1% movement)	(0.08)	0.08
EUR (1% movement)	(0.57)	0.57
USD (1% movement)	(2.52)	2.52
AED (1% movement)	(0.28)	0.28
AUD (1% movement)	0.01	(0.01)

As at March 31, 2024	Equity (net of tax)	
	Strengthening	Weakening
CHF (1% movement)	(11.71)	11.71
SGD (1% movement)	(0.06)	0.06
EUR (1% movement)	(0.42)	0.42
USD (1% movement)	(1.88)	1.88
AED (1% movement)	(0.21)	0.21
AUD (1% movement)	0.01	(0.01)

As at March 31, 2023	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (1% movement)	(16.94)	16.94
SGD (1% movement)	(1.29)	1.29
EUR (1% movement)	(2.15)	2.15
USD (1% movement)	(1.71)	1.71
AED (1% movement)	-	-
AUD (1% movement)	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 33. Financial instruments - fair values and risk management (Contd..)

As at March 31, 2023	Equity (net of tax)	
	Strengthening	Weakening
CHF (1% movement)	(12.67)	12.67
SGD (1% movement)	(0.97)	0.97
EUR (1% movement)	(1.61)	1.61
USD (1% movement)	(1.28)	1.28
AED (1% movement)	-	-
AUD (1% movement)	-	-

CHF: Swiss Franc, USD: US Dollar, SGD: Singapore Dollar, EUR: Euro, AED: Emirati Dirham, AUD: Australian dollar.

### 34. Capital Management

#### Risk management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings and trade payables including lease liabilities net of cash and cash equivalents. Equity comprises all components of equity (as shown in the Balance Sheet). The Group always tries to minimize its adjusted net debt to equity ratio.

The Group's adjusted net debt to equity ratio was as follows.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Total Debt including trade payable	24,098.48	21,730.91
Less: cash and cash equivalents	(6,057.91)	(2,788.87)
<b>Adjusted net debt</b>	<b>18,040.57</b>	<b>18,942.04</b>
Total equity	88,396.69	63,149.64
<b>Adjusted net debt to equity ratio</b>	<b>0.20</b>	<b>0.30</b>

### 35. Employee benefits

#### I. Liabilities relating to employee benefits

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Non-current		
Liability for gratuity	0.00	192.35
	<b>0.00</b>	<b>192.35</b>
Current		
Liability for gratuity	0.00	37.79
Liability for compensated absences	59.67	352.77
	<b>59.67</b>	<b>390.56</b>
	<b>59.67</b>	<b>582.91</b>

For details about the related employee benefit expenses, refer to note no. 38.

#### II. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Parent company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Group to following risks:

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 35. Employee benefits (Contd..)

#### Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

#### Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

#### a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Group does not expect any significant liquidity risks.

#### b) Reconciliation of present value of defined benefit obligation

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Balance at the beginning of the year</b>	<b>252.37</b>	<b>199.61</b>
Benefits paid	(5.45)	(22.12)
Current service cost	57.55	37.09
Interest cost	18.57	14.42
Actuarial (gains) / losses on experience adjustments recognised in other comprehensive income	14.78	23.37
<b>Balance at the end of the year</b>	<b>337.82</b>	<b>252.37</b>

#### c) Reconciliation of the present value of plan assets

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Balance at the beginning of the year</b>	<b>22.23</b>	<b>27.35</b>
Contributions paid into the plan	9.93	15.12
Interest Income	1.66	1.97
Benefits paid	(5.45)	(22.12)
Return on plan assets recognised in other comprehensive income	0.28	(0.08)
<b>Balance at the end of the year</b>	<b>28.65</b>	<b>22.23</b>

#### d) Expense recognised in profit or loss

Particulars	For the year ended	For the year ended
	March 31, 2024	March 31, 2023
Current service cost	57.55	37.09
Interest Income	(1.66)	(1.97)
Interest cost	18.58	14.41
<b>Balance at the end of the year</b>	<b>74.47</b>	<b>49.53</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 35. Employee benefits (Contd..)

#### e) Remeasurements recognised in other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Actuarial (Gain)/loss on defined benefit obligation	14.78	23.37
Actuarial (Gain)/loss on defined plan assets	(0.28)	0.07
<b>Balance at the end of the year</b>	<b>14.49</b>	<b>23.45</b>

#### f) Plan assets

100% of the plan assets are managed by LIC

#### g) Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.22% p.a.	7.36% p.a.
Future salary growth rate (per annum)	6.00% p.a.	5.00% p.a.
Retirement age	56 years	56 years

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (IALM) (2012-14) rates.

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2024	
	Increase	Decrease
Discount rate (0.5% movement)	(11.11)	8.56
Future salary growth rate (0.5% movement)	7.71	(10.52)

Particulars	As at March 31, 2023	
	Increase	Decrease
Discount rate (0.5% movement)	(7.21)	7.63
Future salary growth rate (0.5% movement)	7.07	(6.74)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

#### h) Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Within 1 year	71.59	37.79
1-2 year	22.21	38.08
2-3 year	20.31	15.97
3-4 year	24.54	14.40
4-5 year	25.70	15.89
5 years onwards	173.47	130.24

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 35. Employee benefits (Contd..)

#### i) Weighted average duration of the defined benefit plan

Particulars	As at March 31, 2024	As at March 31, 2023
Weighted average duration (in years)	8.19	8.33

### III. Defined contribution plans

The Group makes contribution, determined as a percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Group has no obligation other than to make the specified contributions. The Group has recognised Rs.211.17 during the period (March 31, 2023: Rs.166.33) as expense towards contribution to these plans.

### 36. Contingent liabilities, commitments and other matters

#### i) Claims against the Group not acknowledged as debts, under dispute

Particulars	As at March 31, 2024	As at March 31, 2023
a) Income Tax matters	484.95	364.86
b) Excise Duty matters	65.77	47.08
c) Value Added Tax matters	-	3,330.03
d) Customs duty matters	12.90	12.97
e) Goods and Services Tax matter	12.15	12.15

Based on the discussion with the solicitors/legal opinion taken by the Group, the management believes that the Group has a good chance of success in above mentioned case and hence, no provision there against was considered necessary.

#### ii) Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,056.35	471.71

iii) In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial condition. As on March 31, 2024, there are two open legal proceedings involving disputed amount of Rs.170.30 (March 31, 2023: Rs.110.22) against which the Group is carrying liability of Rs.49.26 (March 31, 2023: Rs.49.26)

iv) Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages, for the purpose of provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies. Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Group has not recognised any provision. Further, management also believes that the impact of the same on the Group will not be material.

### 37. Leases

#### A. Group as a lessee

The Group has lease contracts for various retail stores and furniture to be used for its operations. The Leases generally have lease terms 2 - 10 years for building and 4 - 5 years for furniture. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or sub leasing the leased assets.

The Group has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 37. Leases (Contd..)

The carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Building	Furniture	Total
<b>As at April 01, 2022</b>	<b>9,020.37</b>	<b>138.76</b>	<b>9,159.13</b>
Additions	3,995.74	-	3,995.74
Deletions	(261.40)	-	(261.40)
Depreciation expense	(2,514.79)	(33.64)	(2,548.43)
<b>As at March 31, 2023</b>	<b>10,239.92</b>	<b>105.12</b>	<b>10,345.04</b>
Additions	5,581.90	109.07	5,690.97
Deletions	(63.49)	-	(63.49)
Depreciation expense	(3,377.64)	(53.85)	(3,431.49)
<b>As at March 31, 2024</b>	<b>12,380.69</b>	<b>160.34</b>	<b>12,541.03</b>

The carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At the beginning of the year</b>	11,273.55	10,186.97
Additions	5,441.30	3,774.47
Accretion of interest	1,511.36	1,152.91
Deletions	(68.13)	(285.17)
Payments (Principal and interest)*	(4,326.22)	(3,555.63)
Rent Concession	-	-
<b>At the closing of the year</b>	<b>13,831.86</b>	<b>11,273.55</b>
Current lease liabilities	2,731.21	2,356.75
Non-current lease liabilities	11,100.65	8,916.80
<b>Total</b>	<b>13,831.86</b>	<b>11,273.55</b>

The details regarding the maturity analysis of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Within one year	4,069.80	3,478.47
After one year but not more than five years	12,101.19	9,156.18
More than five years	1,740.07	2,476.32
<b>Total</b>	<b>17,911.07</b>	<b>15,110.97</b>

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11.33% (March 31, 2023: 11.63%).

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use assets	3,431.49	2,548.43
Interest expense on lease liabilities	1,511.36	1,152.91
Expense relating to short-term leases and variable rent (included in other expenses)**	833.59	1,002.58
<b>Total amount recognised in profit or loss</b>	<b>5,776.45</b>	<b>4,703.92</b>

\*The Group had total cash outflows for leases excluding rent concession of Rs. 4,326.22 (March 31, 2023: Rs. 3,555.63).

The Group also had non-cash additions to right of use assets and liabilities of Rs. 5,332.15 (March 31, 2023: Rs.3,624.47)

\*\* Gross of reimbursement received of Rs.13.11 (March 31, 2023: Rs.46.93).

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 38. Related parties

#### (i) Holding Company :

KDDL Limited (KDDL)

#### (ii) Joint venture :

Pasadena Retail Private Limited

#### (iii) Associate :

Silvercity Brands AG (w.e.f. March 11, 2024) (Refer Note 5A)

#### (iv) Entities under common control (where transactions have taken place during the year / balances outstanding) :

Mahen Distribution Limited

VBL Innovations Private Limited

Vardhan Properties & Investment Private Limited

Dream Digital Technology Private Limited (DDTPL)

Saboo Ventures LLP

Saboo Housing Projects LLP

Rival Soul International SARL

Saveeka Family Trust

KDDL-Ethos Foundation

Haute-Rive Watches SA

#### (v) Details of transactions entered into with the related parties:

Key Managerial Personnels	Relative of Key Managerial Personnel
Mr. Y .Saboo (Chairman and Managing Director)	Mr. R K Saboo (Father)
	Mrs. Usha Devi Saboo (Mother)
	Mrs. Anuradha Saboo (Spouse)
	Mr. Jai Vardhan Saboo (Brother)
	Mr. Pranav Shankar Saboo (CEO) (Son)
	Mrs. Satvika Suri (Daughter)
	Mrs. Malvika Saboo (Spouse)
Mr. Pranav Shankar Saboo (CEO) appointed as Additional Director (w.e.f. January 18, 2024) and regularised as Director (w.e.f. March 21, 2024). Further, appointment as a Managing Director and Chief Executive Officer (KMP) of the Company with effect from April 01, 2024.	
Mr. Anil Khanna - Independent Director	Mrs Alka Khanna (Spouse)
	Mr. Saahil Khanna (Son)
	Mrs Poonam Prakash (Sister)
	Mrs. Pallavi Kumar (Wife)
Mr. Sundeep Kumar - Independent Director	
Mr. Dilpreet Singh - Independent Director	
Mr. Mohaimin Altaf - Independent Director (upto September 28, 2023)	Mrs Nighat Altaf (Mother)
Mr. Patrik Paul Hoffman - Independent Director (upto November 23, 2023)	
<b>Key Managerial Personnels</b>	<b>Relative of Key Managerial Personnel</b>
Mr. Manoj Gupta - Executive Director (upto March 31, 2024)	Mrs. Lalit Gupta (Spouse)
	Mr. Amol Gupta (Son)
	Mrs. Saneh Lata (Mother)
	Mr. Deepak Gupta (Brother)
Mr. Manoj Subramanian – appointed as Additional Director (w.e.f. January 18, 2024) and regularised as Director (w.e.f. March 21, 2024). Further, appointment as an Executive Director (KMP) of the Company with effect from April 1, 2024.	
Mr. Chitranjan Agarwal - Non Independent and Non Executive Director (w.e.f. April 01, 2022)	Mrs. Pallavi Agarwal (Spouse)
Mr. Charu Sharma - Independent Director (w.e.f. November 03, 2022)	

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 38. Related parties (Contd..)

Mrs. Munisha Gandhi - Independent (Woman) Director (w.e.f. December 19, 2023)	Mr. Viraj Gandhi (Son)
	Ms. Shabnam Nath (Daughter)
Mr. Yogen Khosla - Independent Director (w.e.f. January 18, 2024)	
Ms. Susanne Hurni - Director of Estima AG, Fellow Subsidiary	
Mr. Sanjiv Sachar- Director of KDDL Limited, Holding Company	
Mr. N. Subramanian - Independent Director (upto September 27,2022)	
Mrs. Neelima Tripathi - Independent Director (upto September 27, 2022)	Mr Apoorv P. Tripathi (Son)
	Ms Sanam Tripathi (Daughter)
Mr. Ritesh Kumar Agrawal (CFO) (upto February 15, 2024)	Mrs. Jyoti Agrawal (Spouse)
Mr. Munish Gupta - CFO (w.e.f. March 01, 2024)	Mrs. Nidhi Gupta (Spouse)
Mr. Anil Kumar (CS)	Mrs. Navita Verma (Spouse)

#### Notes:

- Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - Employee Benefits' in the financial statements. As these employees benefits are lump sum amounts provided on the basis of actuarial valuation the same is not included above.
- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business.

(vi) Details of transactions entered into with the related parties:	Joint venture / Associate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Transactions</b>								
Sale of goods	-	-	5.31	3.93	145.53	104.03	4.86	33.68
Other Income	9.09	-	-	-	-	-	43.68	43.68
Rent income	-	-	1.20	1.20	-	-	-	-
Purchases of stock-in-trade	-	-	51.10	Nil	33.50	18.00	5.62	17.68
Short term employee benefits	-	-	-	-	945.16	645.15	-	-
Legal and professional fees	-	-	-	-	56.80	27.78	-	-
Advertisement and sales promotion	-	-	55.20	42.00	-	-	-	-
Recovery of expenses incurred	97.03	39.96	-	Nil	-	-	-	-
Rent expenses	-	Nil	12.92	12.35	-	-	42.06	27.99
Directors sitting fees and commission	-	-	-	Nil	33.65	105.41	-	-
Reimbursement of expenses	-	-	-	-	0.84	8.02	8.09	11.00
Interest Expenses	-	-	-	4.16	16.81	61.22	-	-
Financial guarantee expenses	-	-	-	Nil	-	-	-	4.97
Sale of Property, Plant and Equipment	-	-	-	-	-	5.32	-	-
Purchase of Property, Plant and Equipment and Intangible	-	-	-	-	-	-	-	3,900.00
Investments made	1,942.93	-	112.76	-	-	-	-	-
Loan repaid	-	-	-	95	25.40	865.05	-	-
Loan given	-	-	-	Nil	38.78	-	-	-
CSR Expenses	-	-	-	11.96	-	-	-	-
Reimbursement of selling shareholders of IPO proceed (Net of share issue expenses)	-	-	-	468.06	-	834.92	-	1,111.78

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 38. Related parties (Contd..)

Balances outstanding :	Joint venture / Associate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Balances outstanding :</b>								
Investments	2,401.14	175.00	134.92	-	-	-	-	-
Receivable against sale of goods	-	-	-	152.03	94.79	68.09	-	-
Advances	34.18	12.41	59.91	1,342.98	9.54	6.35	5.79	17.18
Payable for Employee Benefits	-	-	-	-	39.24	117.65	-	-
Payable for Director Fees	-	-	-	-	-	79.60	-	-
Payable for services received	-	-	-	-	3.83	-	0.41	-
Interest accrued but not due	-	-	-	-	22.95	14.27	-	-
Unsecured loans	-	-	-	-	111.81	136.81	-	-
Deemed capital contribution	-	-	-	-	-	-	50.51	50.51

### 39. Segment information

#### Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Group. As the chief operating decision maker of the Group assess the financial performances and position of the Group as a whole and makes strategic decision, the management considers retail trading of premium and luxury watches, accessories and other luxury items and including related after sale services as a single operating segment in India as per Ind AS 108, hence separate segment disclosure, have not been furnished.

### 40. Corporate Social Responsibility

In light of Section 135 of the Companies Act, 2013, the Group has incurred expenses on Corporate Social Responsibility (CSR) aggregating to Rs.78.43 (March 31, 2023: Rs.25.63) for CSR activities carried out during the current year.

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i	Amount required to be spent by the company during the period as approved by board	78.43	25.63
ii	Amount of expenditure incurred		
	a. In cash	78.43	25.63
	b. Yet to be paid in Cash	-	-
	c. Balance for the remaining period	-	-
iii	Shortfall at the end of the year	-	-
iv	Total of previous years shortfall	-	-
v	Reason for shortfall	Nil	Nil
vi	Nature of CSR activities	SayTrees Environmental Trust - Towards Million Tree Project SankalpTaru Foundation - Towards Million Tree Projects.	Isha Foundation- Towards Million Tree Projects Youth Technical Training Society - Towards promoting education

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 40. Corporate Social Responsibility (Contd..)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
		-	Mrittika Earthy Talks Foundation - Towards waste management
vii	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	Contribution to KDDL Ethos Foundation*
viii	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shown separately	Not applicable	Not applicable

\*During the year ended March 31, 2023, the Parent Company has transferred an amount of Rs.11.96 to KDDL-Ethos Foundation, a CSR registered implementing agency towards various objects as mentioned in Section 135 of the Companies Act, 2013. The CSR obligation transferred by the Company as at March 31, 2023 which has been set off with liability towards CSR activities of the Company, have been utilised in various objects namely environmental sustainability, training etc.

### 41. Investments accounted for using equity method

#### I Interest in Joint Venture

The Group has 50% interest in Pasadena Retail Private Limited, a joint venture. Pasadena Retail Private Limited is in business of retail trading of premium and luxury watches, accessories and other luxury items and rendering of related after sale services. The Group's interest in Pasadena Retail Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Group's share in Joint venture:</b>		
Non-Current Assets, including right-of-use assets of Rs.319.61 (March 31, 2023: Rs.47.67)	353.49	82.09
Current Assets, including inventories of Rs.310.15 (March 31, 2023: Rs.249.97)	451.46	299.49
Non-Current Liabilities, including only lease liabilities	(285.38)	(8.73)
Current Liabilities, including lease liabilities of Rs.34.53 (March 31, 2023: Rs.51.33) and trade payables of Rs.98.51 (March 31, 2023: Rs.95.76)	(138.32)	(165.70)
<b>Equity</b>	<b>381.24</b>	<b>207.15</b>
Proportion of the Group's ownership		
Share in Equity	381.24	207.15
Carrying value of the investment	381.24	207.15

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from operations	1,283.94	1,064.76
Other income	15.10	4.41
	<b>1,299.03</b>	<b>1,069.17</b>
Purchase of stock-in-trade	1,010.38	756.49
Changes in inventory of stock-in-trade	(120.35)	(22.79)
Finance costs	15.47	25.40
Depreciation and amortization expense	90.80	88.59
Other expenses	102.15	88.06
	<b>1,098.45</b>	<b>935.75</b>
Profit before tax	200.59	133.42
Tax expense	52.42	34.07
Profit for the year	148.17	99.35
<b>Group's share of profit for the year (Share 50%)</b>	<b>74.09</b>	<b>49.68</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 41. Investments accounted for using equity method (Contd..)

#### II Interest in Associate

The Group has a 35% interest in Silvercity Brands AG, an associate. The Group's interest in Silvercity Brands AG is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-Current Assets	3,665.31	-
Current Assets, including inventories of Rs.65.53 (March 31, 2023: Nil)	2,053.86	-
Current Liabilities and trade payables of Rs.139.05 (March 31, 2023: Nil)	(150.20)	-
<b>Equity</b>	<b>5,568.98</b>	-
Less: Securities Premium not attributable to the company	(304.54)	-
	<b>5,264.44</b>	-
Proportion of the Group's ownership		
Share in Equity	1,842.55	-
Add: Adjustment for fair value due to change in accounting from subsidiary to associate	177.35	-
<b>Carrying value of the investment</b>	<b>2,019.90</b>	-

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from operations	0.60	-
Other income	-	-
	<b>0.60</b>	-
Purchase of stock-in-trade	(0.00)	-
Changes in inventory of stock-in-trade	0.09	-
Finance costs	-	-
Depreciation and amortization expense	6.37	-
Other expenses	13.50	-
	<b>19.97</b>	-
Profit before tax	(19.36)	-
Less: Tax expense	-	-
Profit after tax	(19.36)	-
<b>Group's share of profit after tax (Share 35%)</b>	<b>(6.78)</b>	-

### 42. Statutory Group Information

Additional Information, As required under Schedule III to the Companies Act, 2013, of Entities Consolidated as Subsidiaries, associates or Joint Venture

Name of the Entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
<b>Parent</b>								
Ethos Limited								
As at March 31, 2024	100%	88,196.44	98%	8,129.21	24%	(10.08)	98%	8,119.13
As at March 31, 2023	100%	63,117.68	99%	5,979.60	96%	(16.91)	99%	5,962.69
<b>Subsidiaries</b>								
Cognition Digital LLP								
As at March 31, 2024	1%	582.03	1%	103.74	2%	(0.67)	1%	103.08
As at March 31, 2023	1%	478.95	1%	73.39	3%	(0.55)	1%	72.84
RF Brands								
As at March 31, 2024	0%	100.00	0%	-	0%	-	0%	-
As at March 31, 2023	0%	-	0%	-	0%	-	0%	-
Silvercity Brands AG (Refer Note 5A)								
As at March 31, 2024	0%	-	-1%	(76.58)	0%	-	-1%	(76.58)
As at March 31, 2023	0%	45.12	0%	-	0%	-	0%	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 42. Statutory Group Information (Contd..)

Name of the Entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
<b>Associates</b>								
Silvercity Brands AG (Refer Note 5A)								
As at March 31, 2024	2%	2,061.95	0%	(6.78)	0%	-	0%	(6.78)
As at March 31, 2023	0%	-	0%	-	0%	-	0%	-
<b>Joint Venture (Investments as per the equity method)</b>								
Pasadena Retail Private Limited								
As at March 31, 2024	0%	381.24	1%	74.09	0%	-	1%	74.09
As at March 31, 2023	0%	207.15	1%	49.68	0%	-	1%	49.68
<b>Eliminations</b>								
As at March 31, 2024	(3%)	(2,824.98)	1%	105.78	74%	(31.30)	1%	74.48
As at March 31, 2023	(1%)	(699.26)	(1%)	(72.84)	1%	(0.16)	(1%)	(73.00)
As at March 31, 2024	100%	88,396.69	100%	8,329.46	100%	(42.05)	100%	8,287.41
As at March 31, 2023	100%	63,149.64	100%	6,029.82	100%	(17.62)	100%	6,012.20

\* Amounts given here in respect of joint venture is the share of the group in the net assets of the joint venture.

### 43. Details of associate and joint venture with ownership % and place of business:

#### Associate

Name of the entity	Silvercity Brands AG
Principal Place of Business	Switzerland
Proportion of Ownership as at March 31, 2024	35.00%
Proportion of Ownership as at March 31, 2023	100.00%
Method used to account for the investment	At equity method

#### Joint venture

Name of the entity	Pasadena Retail Private Limited
Principal Place of Business	India
Proportion of Ownership as at March 31, 2024	50.00%
Proportion of Ownership as at March 31, 2023	50.00%
Method used to account for the investment	At equity method

44. 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.

45. 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. The aforesaid brands have been capitalized as intangible assets during the year ended March 31, 2023.

### 46. Other Statutory Information

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any transactions with companies struck off.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

### 46. Other Statutory Information (Contd..)

- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Group is not declared as wilful defaulter by any bank or financial institution

47. During the previous year ended March 31, 2023, the Parent Company had completed its Initial Public Offering ('IPO') of 45,81,500 equity shares of face value of Rs. 10 each at an issue price of Rs.878 per share (including securities premium of Rs.868 per share). The issue was comprised of fresh issue of 42,71,070 equity shares aggregating to Rs. 37,500.00 and offer for sale of 3,10,430 equity shares aggregating to Rs.2,725.58. The equity shares of the Parent Company were listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022.

Consequent to allotment of fresh issue, the paid-up equity share capital of the Parent Company stood increased from Rs.1,907.82 consisting of 1,90,78,163 equity shares of Rs.10 each to Rs.2,334.92 consisting of 2,33,49,233 Equity Shares of Rs.10 each.

The total offer expenses in relation to the fresh issue are Rs.3,531.05 (excluding taxes). The utilization of IPO proceeds from fresh issue (net of IPO related expense of Rs.3,531.05 is summarized below:

Particulars	Amount
Amount received from fresh issue	37,500.00
Less: Offer related expenses in relation to the Fresh Issue	(3,531.05)
<b>Net Proceeds available for utilisation</b>	<b>33,968.95</b>

The aforesaid offer related expenses in relation to the Fresh Issue have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilized as on March 31, 2024 **
Repayment or pre-payment certain borrowings	2,989.09	2,989.09	-
Funding working capital requirements	23,496.22	23,496.22	-
Financing the establishment of new stores and renovation of the certain existing stores	3,327.28	703.74	2,623.54
Financing the upgradation of ERP	198.01	158.71	39.30
General corporate purpose <sup>†</sup>	3,958.35	3,958.35	-
<b>Total</b>	<b>33,968.95</b>	<b>31,306.11</b>	<b>2,662.84</b>

<sup>†</sup>Amount of Rs.3,609.87 was original proposed in offer document as part of general corporate purpose has been increased by Rs.348.48 on account of saving in offer expenses.

\*\* The unutilised amounts lying under the heads 'Financing the establishment of new stores and renovation of the certain existing stores' and 'Financing the upgradation of ERP' shall be utilised within 18 months from the date of obtaining shareholder's approval through Notice issued for Postal Ballot dated January 18, 2024. The shareholders have accorded their approval on March 21, 2024. Net unutilised proceeds as on March 31, 2024 have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

- 48.** During the current year, the Parent Company has issued 11,31,210 equity shares of face value of Rs. 10 each at an issue price of Rs. 1,547 per share (including securities premium of Rs. 1,537 per share) aggregating to Rs. 17,499.82 under Qualified Institutions Placement ('QIP'). Consequent to allotment of aforesaid equity shares on November 3, 2023, the paid-up equity share capital of the Parent Company stands increased from Rs. 2,334.92 consisting of 2,33,49,233 Equity Shares of Rs. 10 each to Rs. 2,448.04 consisting of 2,44,80,443 Equity Shares of Rs. 10 each.

The total offer expenses in relation to the fresh issue are Rs. 540.18 (excluding taxes). The utilization of QIP proceeds (net of QIP related expense of Rs. 540.18) is summarized below:

Particulars	Amount
Amount received from issue	17,499.82
Less: QIP related expenses in relation to the issue	(540.18)
<b>Net Proceeds available for utilisation</b>	<b>16,959.64</b>

The aforesaid QIP related expenses in relation to the Issue have been adjusted against securities premium as per Section 52 of the Companies Act, 2013.

Particulars	Amount to be utilised as per prospectus	Utilisation upto March 31, 2024	Unutilized as on March 31, 2024 *
Funding working capital requirements	13,125.00	-	13,125.00
General corporate purpose	3,834.64	-	3,834.64
<b>Total</b>	<b>16,959.64</b>	<b>-</b>	<b>16,959.64</b>

\* As per the Placement Document, the utilisation of funds for the aforesaid objects will start after March 31, 2024. Net Proceeds available for utilisation as on date have been temporarily invested in deposits with scheduled banks and kept in current account with monitoring agency bank account.

### 49. Loss of Control in subsidiary

There is change in the capital structure of Silvercity Brands AG (the wholly owned subsidiary) due to further allotment of 39,00,000 shares of nominal value of CHF 1 each, the shareholding of the Parent company has reduced to 35%. Owing to this, Silvercity Brands AG ceases to be the wholly owned subsidiary body corporate of the Parent company with effect from March 11, 2024. Henceforth, Silvercity Brands AG shall be identified as an associate of the Parent Company. Mentioned below are the details of Gain on deemed disposal of subsidiary.

Particulars	Amount
Investment in associate (Fair value on the date of deposit)	2,068.73
Net Assets of the subsidiary on the date of deemed disposal	(1,891.01)
Other Comprehensive Income (FCTR) transferred to profit or loss	48.08
<b>(Gain) on Deemed Disposal of subsidiary (included under other income)</b>	<b>225.80</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

- 50.** The Parent Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that, the feature of recording audit trail for direct changes to database made using privileged/administrative access rights is not available. The Parent Company is in the phase of implementation of the upgraded ERP version to mitigate the requirement of maintaining audit trail at database level and change logs records.

- 51.** There are no significant events after reporting date which need to be disclosed.

As per our report of even date

### For S.R. Batliboi & Co. LLP

Chartered Accountants  
ICAI firm registration no.: 301003E/E300005

### Anil Gupta

Partner  
Membership No. 87921

Place: New Delhi

Date: May 13, 2024

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

#### Yashovardhan Saboo

Chairman and Managing Director  
DIN 00012158

#### Munish Gupta

Chief Financial Officer

#### Anil Kumar

Company Secretary

Place: Chandigarh

Date: May 13, 2024

#### Anil Khanna

Director  
DIN 00012232

#### Pranav Shankar Saboo

Managing Director and CEO  
DIN 03391925







# ethos

WATCH BOUTIQUES

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Himachal Pradesh- 173220

## Corporate Office

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Chandigarh - 160009

## Head Office

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