

Ref. no. : Ethos/Secretarial/2024-25/17

Dated: May 14, 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 : Statement of deviation or variation in the use of proceeds of Initial Public Offering of Ethos Limited for the quarter ended March 31, 2024

Dear Sir/Ma'am

Greetings from Ethos.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India Circular CIR/CFD/CMD1/162/2019 dated December 24, 2019, we wish to inform you that there are no deviation(s) or variation(s) in respect of utilization of proceeds of Initial Public Offering of the Company for the quarter ended on March 31, 2024 as mentioned in the object clause of the Prospectus dated May 25, 2022 filed with Securities and Exchange Board of India and the Registrar of Companies, Himachal Pradesh.

In this regard, we are also enclosing herewith the Statement of deviation or variation in the use of proceeds of the Initial Public Offering of the Company. The aforesaid statement is also being made available on the Company website i.e., <https://www.ethoswatches.com/investors-information>.

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 & Compliance Officer
Membership no. F8023

Encl.: as above

— 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

Name of listed entity	Ethos Limited
Mode of fund raising	Initial Public Offering
Date of raising funds	May 26, 2022
Amount raised	Rs. 40,226 lakh {Issue size comprised of fresh issuance/gross proceeds of Rs. 37,500 lakh (net proceeds of Rs 33,968.39 lakhs*) and an offer for sale of Rs 2,726 lakhs}
Report filed for quarter ended	March 31, 2024
Monitoring Agency	Applicable
Monitoring Agency name, if applicable	CRISIL Ratings Limited
Is there a Deviation / Variation in use of funds raised	No. However, Shareholder's approval has been obtained for alteration in object no. 3 for revised locations and for extending the time period for utilizing the remaining issue proceeds for object no. 3 and 4.
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	As mentioned above
If Yes, Date of shareholder approval	March 21, 2024
Explanation for the deviation / variation	<p>Deployment of funds for an amount of Rs 2,623.54 lakh under the head 'Financing the establishment of new stores and renovation of certain existing stores' on cumulative basis were not foreseen owing to the fact that malls did not commence the operations and the opening of such stores were inordinately delayed which was a reason not attributable to Company. The unutilised amount of Rs 2,623.54 lakh will 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.</p> <p>It is foreseen that Rs 39.30 lakh on cumulative basis remains unutilised towards ERP upgradation project under the head 'Financing the upgradation of enterprise resource planning Software' as it is expected that project will be completed in FY 24-25. The unutilised amount of Rs 39.30 lakh to be utilised within 18 months from the</p>

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	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.
Comments of the Audit Committee after review	No Comments
Comments of the auditors, if any	No Comments
Objects for which funds have been raised and where there has been a deviation, in the following table	<p>a) Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the company,</p> <p>b) Funding working capital requirements of the Company,</p> <p>c) Financing the establishments of new stores and renovation of certain existing stores,</p> <p>d) Financing the upgradation of enterprise resource planning software,</p> <p>e) General Corporate Purposes</p> <p>No deviation from the objects.</p>

Amount in Rs. Lacs

Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilized	Amount of deviation / variation for the quarter according to the applicable object	Remarks, if any
Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our Company	Not applicable	2,989.09	N.A.	2,989.09	Not applicable	Entire amount was utilized during the quarter ended June, 2022.
Funding working capital requirements of our Company	Not applicable	23,496.22	N.A.	23,496.22	Not applicable	Proceeds were utilized for vendor payments.
Financing the establishment of new stores and renovation of the certain existing stores	Not applicable	3,327.28	N.A.	703.74	2,623.54*	Proceeds were utilized for establishment of a new store as per the

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						prospectus.
Financing the upgradation of ERP	Not applicable	198.01	N.A.	158.71	39.30**	Proceeds were utilized for licensing new ERP, setting up development operations and purchasing tools for development operations.
General corporate purpose	Not applicable	3,609.87	3,958.35^	3,958.35	Not applicable	Proceeds were utilized for capital expenditure incurred by the company for financing the establishment of two news stores situated in Kochi and Bangalore.
Total		33,620.47	33,968.95	31,306.11	2,662.82	

* Deployment of funds for an amount of Rs 2,623.54 lakh on cumulative basis were not foreseen owing to the fact that malls did not commence the operations and the opening of such stores were inordinately delayed which was a reason not attributable to Company. The unutilised amount of Rs 2,623.54 lakh will 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.

** It is foreseen that Rs 39.30 lakh on cumulative basis remains unutilised towards ERP upgradation project as it is expected that project will be completed in FY 24-25. The unutilised amount of Rs 39.30 lakh to 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.

^The actual cost incurred by the Company towards offer related expenses is lower against the estimated cost disclosed in the final offer document hence the surplus proceeds available from offer expenses is added to GCP during the quarter ended September 30, 2022 and March 31, 2023 in following manner:-

Particulars	Amount (Rs in lakh)
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Contact: 0172-2548223 / 24 • Email: info@ethoswatches.com • Website: www.ethoswatches.com

PAN : AADCK2345N • CIN : L52300HP2007PLC030800

<i>GCP as per offer document</i>	<i>3,609.87</i>
<i>Add: Surplus from offer expenses added to GCP during the quarter ended September 30, 2022</i>	<i>347.92</i>
<i>Revised GCP at the end of quarter</i>	<i>3,957.79</i>
<i>Add: Surplus from offer expenses added to GCP during the quarter ended March 31, 2023</i>	<i>0.56</i>
<i>Revised GCP</i>	<i>3,958.35</i>
<i>Revised Net Proceeds</i>	<i>33,968.95</i>

Deviation or variation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised or
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or
- (c) Change in terms of a contract referred to in the fund-raising document i.e., prospectus, letter of offer, etc.

Name of the Signatory : Anil Kumar
Designation : Company Secretary and Compliance Officer

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