

ETHOS LIMITED

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CIN – U52300HP2007PLC030800
PAN – AADCK2345N

Ref. no.: Ethos/Secretarial/2022-23/19

Dated: July 27, 2022

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

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

Subject : Report of the Monitoring Agency with respect to utilization of proceeds of the Initial Public Offering of Ethos Limited

Dear Sir/Ma'am

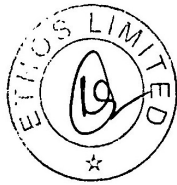
Greetings from Ethos.

Pursuant to Regulation 41(4) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Regulation 32 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Monitoring Agency Report with respect to utilization of proceeds of the Initial Public Offering of the Company for the quarter ended on June 30, 2022, issued by CRISIL Ratings Limited, Monitoring Agency.

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

Registered Office:

Plot 3, Sector III, Parwanoo-173 220 INDIA

Monitoring Agency Report for Ethos Limited for the quarter ended June 30, 2022

CRL/MAR/ETHSLO/2022-23/1001

July 27, 2022

To

Ethos Limited

Plot no. 3, Sector- III, Parwanoo,
Himachal Pradesh - 173220

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2022 - in relation to the Initial Public Offer ("IPO") of Ethos Limited ("the Company")

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated April 21, 2022, we in our capacity of Monitoring Agent to the Company hereby enclose the Monitoring Agency Report as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended June 30, 2022.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Gouri Prasad Panda
Associate Director

Report of the Monitoring Agency (MA)

Name of the issuer: Ethos Limited

For quarter ended: June 2022

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) *Range of Deviation:* Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Gouri Prasad Panda

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer:	Ethos Limited
Names of the promoter:	a. Yashovardhan Saboo, b. KDDL Limited and c. Mahen Distribution Limited
Industry/sector to which it belongs:	Retailer – watches/watch accessories

2) Issue Details

Issue Period:	Wednesday, May 18, 2022 to Friday, May 20, 2022
Type of issue (public/ rights):	Initial Public Offer (IPO)
Type of specified securities:	Equity Shares
IPO Grading, if any:	NA
Issue size:	Rs 40,226 lakh Issue size comprises of fresh issuance/gross proceeds of Rs 37,500 lakh (net proceeds of Rs 33,620.47 lakh*) and an offer for sale of Rs 2,726 lakh)

* CRISIL Ratings shall be monitoring the net proceeds amount

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes/ No	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	Yes/ No	NA	NA	NA
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/ No	NA	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/ No	NA	NA	NA
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes/ No	NA	NA	NA

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/ No	NA	NA	NA
Are there any favorable events improving the viability of these object(s)?	Yes/ No	NA	NA	NA
Are there any unfavorable events affecting the viability of the object(s)?	Yes/ No	NA	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/ No	NA	NA	NA

NA represents Not Applicable;

*Chartered Accountant certificate dated July 20, 2022 from M/s Sultaniya Umesh & Company, Chartered Accountants (Firm Registration Number: 326973E)

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No	Item Head	Source of information/certifications considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comments of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing Option	Particulars of firm arrangements made
1	Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the Company;	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	2,989.09	NA	Nil	NA	NA	NA
2	Funding working capital requirements of the Company;	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	23,496.22	NA	Nil	NA	NA	NA

Ratings

CRISIL

An S&P Global Company

Sr. No	Item Head	Source of information/certifications considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comments of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing Option	Particulars of firm arrangements made
3	Financing the establishment of new stores and renovation of certain existing stores	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	3,327.28	NA	Nil	NA	NA	NA
4	Financing the Upgradation of enterprise resource planning software	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	198.01	NA	Nil	NA	NA	NA
5	General Corporate Purposes (GCP)#	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	3,609.87	NA	Nil	NA	NA	NA

* Chartered Accountant certificate dated July 20, 2022 from M/s Sultaniya Umesh & Company, Chartered Accountants (Firm Registration Number: 326973E)

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds from the Fresh Issue.

ii. Progress in the object(s):

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Repayment or pre-payment, in full or in part, of all or certain borrowings availed by the Company	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	2,989.09	-	2,989.09	2,989.09	-	Nil	NA	NA
2	Funding working capital requirements of the Company	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	23,496.22	-	1,583.39	1,583.39	21,912.83	Nil	NA	NA
3	Financing the establishment of new stores and renovation of certain existing stores	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	3,327.28	-	-	-	3,327.28	Nil	NA	NA
4	Financing the Upgradation of enterprise resource planning software	Independent Chartered Accountant Certificate*, Final Offer Document, Bank	198.01	-	-	-	198.01	Nil	NA	NA

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
5	General Corporate Purposes (GCP)	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements	3,609.87	-	432.07	432.07	3,177.80	Amount of GCP is utilized for the purpose of repayment of part of loan	NA	NA

*Chartered Accountant certificate dated July 20, 2022 from M/s Sultaniya Umesh & Company, Chartered Accountants (Firm Registration Number: 326973E)

iii. Deployment of unutilised IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs in lakh)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter (Rs in lakh)
1.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
2.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
3.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
4.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
5.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
6.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
7.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
8.	Callable Fixed Deposit-ICICI Bank	1,000	August 31, 2023	4.17	5	1,004.17
9.	Callable Fixed Deposit-ICICI Bank	5,000	August 31, 2023	20.83	5	5,020.83

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs in lakh)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter (Rs in lakh)
10.	Callable Fixed Deposit-ICICI Bank	5,000	May 31, 2023	20.83	4.95	5,020.83
11.	Callable Fixed Deposit-ICICI Bank	5,000	May 31, 2023	20.83	4.95	5,020.83
12.	Callable Fixed Deposit-ICICI Bank	5,000	August 31, 2023	20.83	5	5,020.83
13.	Monitoring Agency Account#	184.08	NA	Nil	Nil	184.08
14.	IPO Account	435.18	NA	Nil	Nil	435.18

#This closing balance includes the interest received, net of TDS, amounting to INR 3.34 lakhs on matured Fixed Deposits

iv. **Delay in implementation of the object(s) - Not Applicable**

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
-	-	-	-	-	-

5) **Details of utilization of proceeds stated as General Corporate Purpose (GCP)^ amount in the offer document:**

S. No.	Item Head	Amount (Rs in lakh)	Source of information /certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1.	Repayment of part of loan	432.07	Independent Chartered Accountant Certificate*, Final Offer Document, Bank Statements, Board resolution dated July 26, 2022.	Board of Directors of the Company in their meeting held on July 26, 2022, approved and ratified the utilisation of proceeds of Initial Public Offer from GCP^ as defined under the Final offer document towards repayment of part of a loan during the quarter ended on June 30, 2022.	NA

*Chartered Accountant certificate dated July 20, 2022 from M/s Sultaniya Umesh & Company, Chartered Accountants (Firm Registration Number: 326973E)

^The general corporate purposes for which Company proposes to utilise Net Proceeds include investments in subsidiary of Company, other capital expenditure requirements including for refurbishment, working capital

requirements, meeting exigencies and expenses incurred by Company in the ordinary course of business, as may be applicable. **The quantum of utilisation of funds towards each of the above purposes will be determined by Board of Directors of the Company, based on the amount actually available under this head and the business requirements of Company, from time to time.** In addition to above, Company may utilise the net proceeds towards other purposes relating to its business which are considered expedient and as approved periodically by Board of Director of the Company, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and business of the Company. Company's management shall have flexibility in utilising any surplus amount.

Source: Final Offer document dated May 25, 2022, of Ethos Limited

Disclaimers:

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