ēthos
WATCH BOUTIQUES



ACCELERATING WITH TIME

Ethos Limited | Annual Report 2024-25

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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

To view the report online, log on to
www.ethoswatches.com/investors-information/financial

In the world of luxury and precision, Ethos Limited has established itself as a trusted name and beacon of excellence.

Our journey began in 2003 with a boutique in Chandigarh, marking the start of a pioneering presence in India's luxury watch retail sector. Over the last two decades, we have transformed into the country's premier retailer of fine timepieces, a position built on our passion for craftsmanship, precision, and the pursuit of perfection.

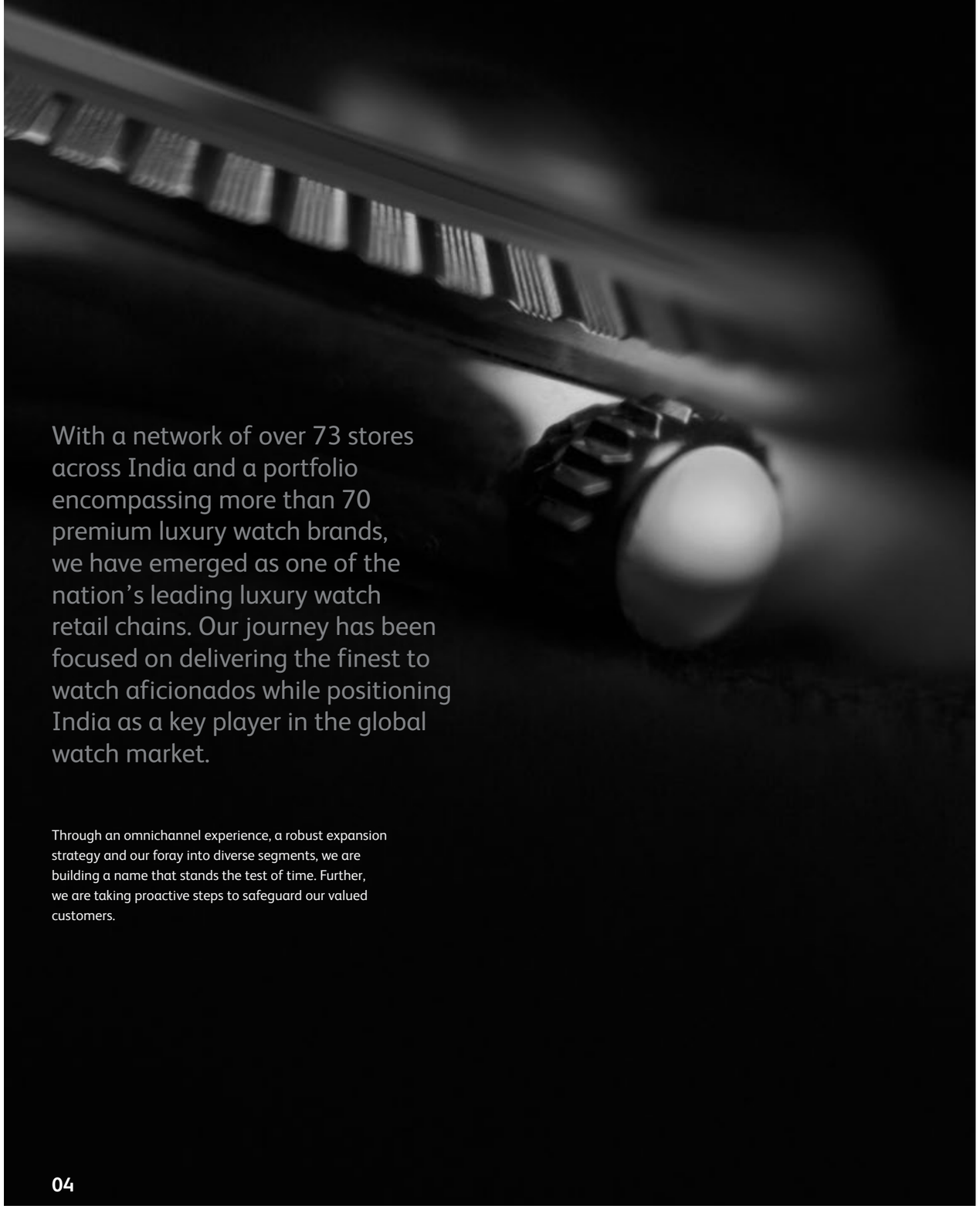
Ethos embodies a unique balance of tradition and innovation. The timeless charm of our boutiques is seamlessly complemented by the energy of the digital age, ensuring that every customer enjoys an experience that is effortless, curated, and exceptional—whether in-store or online.

As we look to the future, we see immense opportunities in India's evolving luxury landscape. With exclusive partnerships, an expanding portfolio of distinguished brands, and a customer-first philosophy, we remain committed to elevating the standards of luxury retail.

In 2022, Ethos created history as the first luxury watch retailer in India to go public, with its shares listed on BSE Limited and the National Stock Exchange of India Limited. This milestone is a reflection of our enduring vision—growth driven by innovation, sustainability, and excellence.



Ethos at a Glance



With a network of over 73 stores across India and a portfolio encompassing more than 70 premium luxury watch brands, we have emerged as one of the nation's leading luxury watch retail chains. Our journey has been focused on delivering the finest to watch aficionados while positioning India as a key player in the global watch market.

Through an omnichannel experience, a robust expansion strategy and our foray into diverse segments, we are building a name that stands the test of time. Further, we are taking proactive steps to safeguard our valued customers.

Vision

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

Mission

- Respect for People
- Customer First
- Excellence
- Integrity and Transparency
- Passion and Intensity
- Commitment and Ownership

OUR ORGANISATIONAL ARCHITECTURE

ethos WATCH BOUTIQUES

Premium and Luxury Watch Retail

100%	100%	100%	33.88%	50%
Cognition Digital LLP, India (WOS)	Ethos Lifestyle Pvt. Ltd., India[1] (WOS)	Ficus Trading LLC, Dubai[2] (WOS)	Silvercity Brands AG Switzerland (Associate)	Pasadena Retail Pvt. Ltd., India (JV)
IT and IT based business for retail and distribution	Retailer of Global Lifestyle Products other than watches	Trading of Watches, Clocks and Spare Parts	Management of Intellectual Property and License Rights	Retail Trading of Watches

[1]Ceased to be WOS in August 2025 pursuant to preferential issue. It remails to be a Subsidiary.
[2]Incorporated in April, 2025

Delivering Value and Performance

₹1,251.6 crore
Revenue

₹96.3 crore
PAT

₹214.4 crore
EBITDA

₹39.33
EPS

₹130.1 crore
PBT

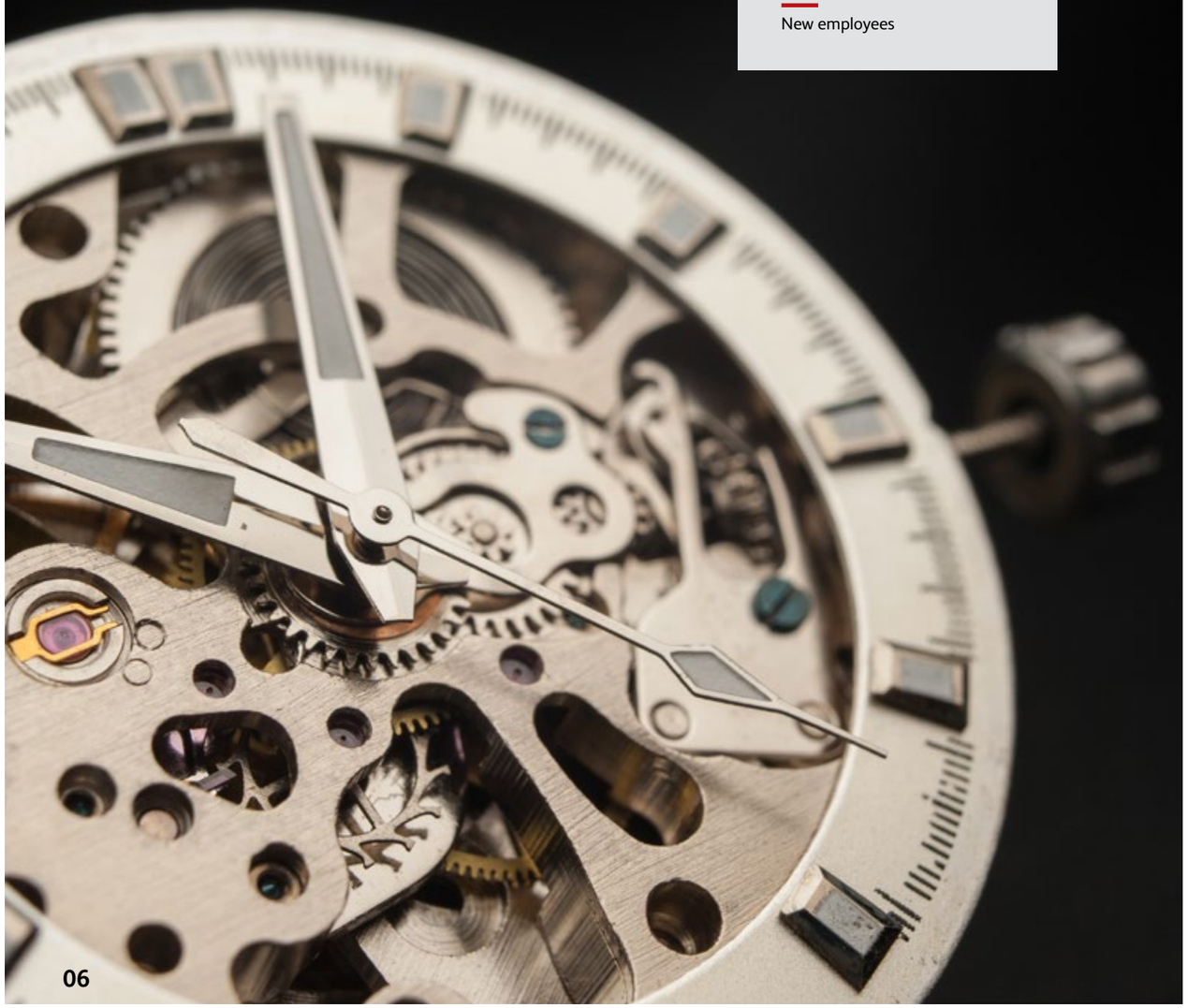
₹0.02 crore
Average selling price

14
New boutiques

3
New cities

6
New brands

358
New employees



The Ethos Factor



GENUINE PRODUCTS, GUARANTEED

As an authorised retailer of 70+ luxury watch brands, every watch at Ethos is 100 % authentic and comes with official brand warranty, along with our stamp of assurance.

TRUSTED HERITAGE AND ETHICAL STANDARDS

With over 810 employees and a strong ethical foundation, Ethos is committed to transparency, reliability and protecting customers from counterfeit and grey market products.

INDIA'S WIDEST LUXURY WATCH COLLECTION

Offering 5000+ timepieces across 70+ boutiques, we provide one of the largest and most diverse selections of premium watches in the country.

EXPERT STAFF AND PREMIUM BOUTIQUES

Our well-trained team and elegantly designed showrooms ensure a personalised, enjoyable and luxurious shopping experience.

DEDICATED AFTER-SALES CARE

With service centres in multiple cities and expert technicians, we ensure your timepiece receives exceptional care — today and for years to come.

EXCLUSIVE LOYALTY PROGRAMME – CLUB ECHO

Earn and redeem points, enjoy curated events, collector experiences and premium rewards through our members-only loyalty programme.

The Market at a Glance

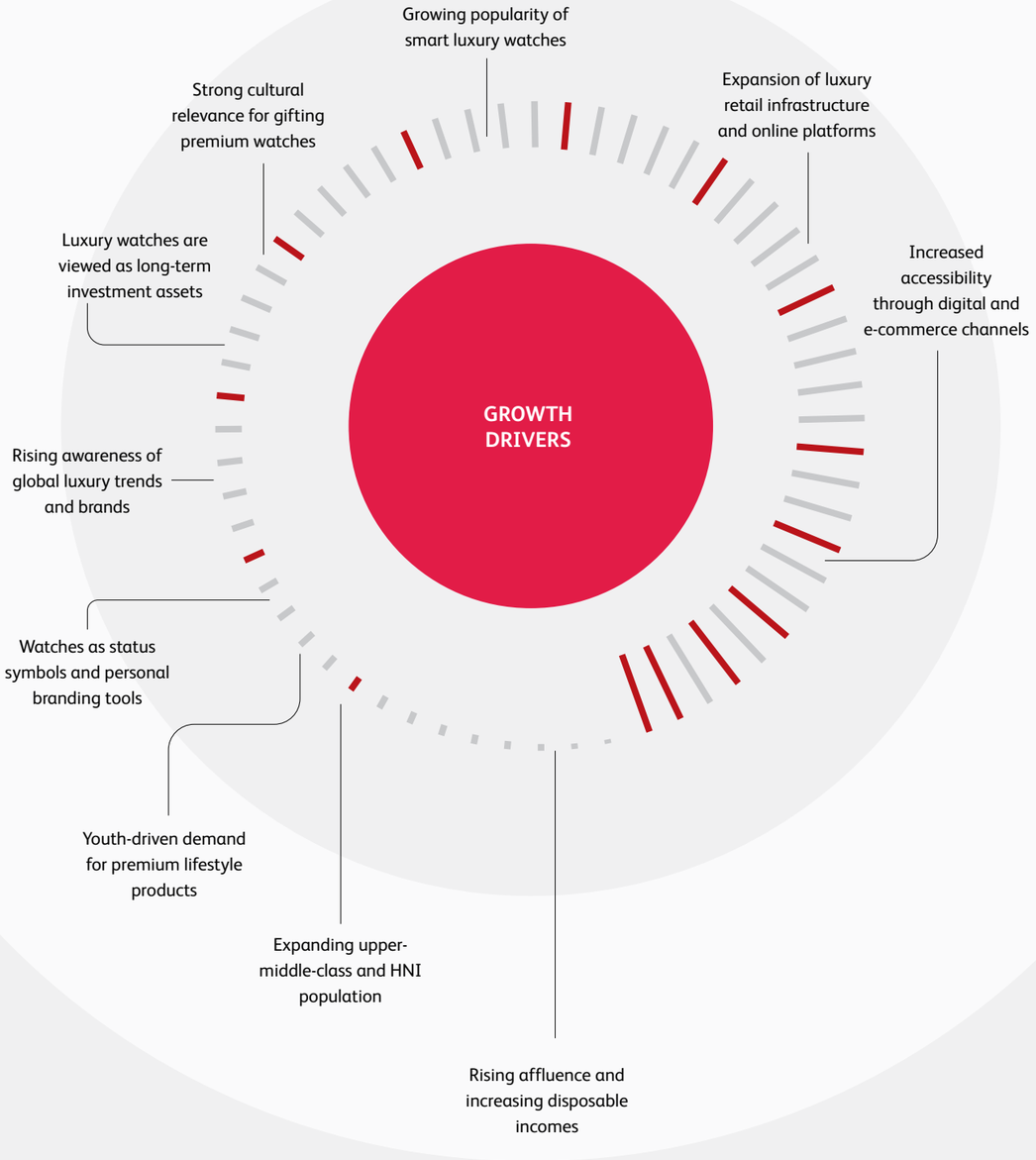
In CY 2024, the global premium and luxury watch market experienced a slowdown after a period of strong growth in the post-pandemic years, primarily due to macroeconomic and geopolitical challenges, along with demand uncertainties in the US, Europe and China. The market size for premium and luxury watches is estimated at USD 54 billion in CY2024, with the projections indicating that CY 2025 will remain flat, followed by a gradual normalisation from CY2027. By CY 2032, the global premium and luxury watch market is expected to rise to USD 70-75 billion.

The Asia-Pacific region dominated the luxury watch market, commanding approximately 42 % of the global market share in CY 2024. Driven by a burgeoning affluent consumer base, heightened brand consciousness and expanding access to luxury retail formats, a growing high-income demographic with increasing interest in high-end timepieces was observed. The US remains the second-largest market.

https://www.fortunebusinessinsights.com/luxury-watch-market-104410







In Partnership With the Best

We take pride in forging enduring partnerships with over 70 of the world's most renowned luxury watch brands. A luxury timepiece represents elite craftsmanship, bespoke customisation, premium materials and timeless style; our alliances allow us to bring forth the authenticity and brand heritage that make each timepiece unique. Rooted in mutual trust and shared values, these partnerships enable us to present a carefully curated collection of the finest timepieces, underpinned by a strong commitment to excellence and integrity.

OMEGA
BAUME & MERCIER
RADO SWITZERLAND
BREITLING 1884
BVLGARI
CARL F. BUCHERER LUCERNE 1888
GIRARD-PERREGAUX
HUBLOT
IWC SCHAFFHAUSEN
JACOB & CO
JAEGER-LECOULTRE
LAURENT FERRIER GENEVE
LONGINES
LOUIS MOINET 1806
MAURICE LACROIX Manufacture Horlogère Suisse
H. Moser & Cie. VERY RARE
NOMOS GLASHÜTTE
ARMIN STROM SWISS WATCH MANUFACTURE
ORIS HÖLSTEIN 1904
PANERAI
PARMIGIANI FLEURIER
BOVET 1822 Engineering Brilliance
SPEAKE-MARIN
TAG Heuer SWISS AVANT-GARDE SINCE 1860
TRILOBE
ZENITH
NORQAIN SWISS MADE WATCHES
URWERK BY BAUMGARTNER + FREI



Crafting Meaningful Moments Through Time

2003
KDDL Limited
Opened our first store in Chandigarh (under the umbrella of KDDL)

2007
Incorporated Kamla Retail Limited as a public limited company

2008
Transferred retail business of KDDL to Kamla Retail Limited

2009
Inaugurated a retail shop at Indira Gandhi International Airport, New Delhi

2011
Entered the Digital world with www.ethoswatches.com

2012
Renamed Kamla Retail Limited to ETHOS LTD.

2018
Club Echo reached **2 lakhs** members

2019
Opened flagship stores in Hyderabad and Kolkata

2020
Reached the landmark of **50 stores** across India

2021
Introduced the Certified Pre-Owned Watches Lounge in New Delhi.

Launched new website: **www.secondmovement.com**

2022
BSE | NSE
Listed on BSE Limited and National Stock Exchange of India Limited on May 30, 2022

2023
Ventured into new cities like **Indore, Bhopal and Siliguri.**

Reached exclusive brand partnerships with **40** brands.

Club Echo membership grew to **3 Lacs**

2024
Fund raise through QIP for ₹ 175 crores.

Collaborated with marquee brands

Opened 10 new stores

2025
Added six exclusive brands and opened **14 new boutiques**, expanding the retail footprint into three new cities: **Kochi, Dehradun and Mangaluru.**

- Added six exclusive brands and opened 14 new boutiques, expanding the retail footprint into three new cities: Kochi, Dehradun and Mangaluru.
- Formally launched its most ambitious luxury retail initiative—**City of Time, Gurugram**, India's largest horological destination. City of Time spans over 22,000 square feet and features **5 Exclusive Brand Boutiques** of globally iconic watch brand and **2 Multi-Brand Boutiques** representing over 50 leading independent luxury brands. In addition to retail, City of Time is designed as an experiential destination housing watchmaking zone and curated lifestyle spaces—offering an unparalleled celebration of time, craftsmanship, and luxury in the country.
- Inaugurated India's first exclusive boutique of '**Messika Paris**', the globally renowned French luxury jewellery brand (May 2025) through Ethos Lifestyle Private Limited



Chairman's Message



"We remain equally committed to fostering a diverse and inclusive workplace, investing in talent development programmes and creating an enabling environment for our employees to thrive."

Accelerating with Time to Redefine Paradigms

DEAR SHAREHOLDERS,

It is a privilege to present the Annual Report of Ethos Limited for the financial year 2024–25, a year in which we accelerated our efforts to strengthen Ethos's position as India's foremost luxury and premium watch retailer. We operate in a dynamic environment, where evolving regulations and market trends demand awareness, agility and adaptability.

The luxury watch industry is constantly evolving, with intense competition, volatility in distribution and tariffs presenting challenges. Despite these obstacles, the year under review has proved to be significant for Ethos. We achieved a key milestone, recording standalone revenue of ₹ 1,276 crore and PAT of ₹ 9,825.41 lakh, reflecting strong operational execution and resilient demand for luxury timepieces. With the expansion of our boutique network to 73 stores across 26 cities, enhanced omnichannel capabilities and innovative partnerships with leading global watch brands, Ethos continues to embody excellence, opulence and unparalleled customer experience.

Accelerating with time—thriving amid market dynamics

The luxury watch market in India remains buoyant, fuelled by aspirational consumer demand and favourable trade dynamics. The India-EFTA Free Trade Agreement is expected to further catalyse demand by reducing duties on Swiss watches—a key segment of our portfolio. This development presents Ethos with a distinct opportunity to enrich its brand mix and improve margins.

We continue to scale our pre-owned luxury watch vertical, now recognised as a sustainable and aspirational choice for discerning buyers. Supported by technology-driven initiatives and robust customer engagement strategies, we are constantly evolving with the needs of the market. In addition, we deepened our presence in the lifestyle segment with Rimowa and Messika, while also onboarding other prestigious global brands across categories other than watches.

Accelerating with time—building a better tomorrow

A nation progresses when its communities are empowered to make informed decisions and pursue paths that enhance their quality of life. Our CSR initiatives are designed to create a lasting impact, ultimately contributing to the nation's advancement. For instance, the Million Tree Project, undertaken in collaboration with leading NGOs, supports initiatives in traditional arts and preventive healthcare.

We are equally committed to the growth of our employees. By fostering a diverse and inclusive workplace and investing in talent development programmes, we nurture an environment where individuals are supported, inspired and empowered to thrive.

Accelerating with time—evolving to excel

As we embark on the next phase of our journey, we remain steadfast in our vision to achieve **a 10x revenue target over the next decade**. With a strong foundation in place, we will continue to

- Expand our portfolio of exclusive brands, both in watches and other premium lifestyle segments
- Strengthen omnichannel capabilities with a customer-first digital ecosystem
- Deepen our market presence in Tier 2 and Tier 3 cities
- Pursue responsible and sustainable business practices

We are confident that our strategic roadmap, backed by disciplined execution and a talented workforce, will deliver long-term value to all stakeholders.

Thank You

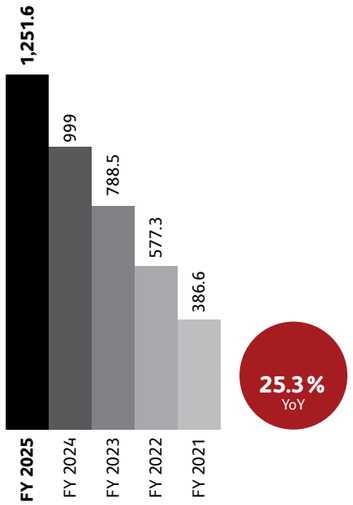
On behalf of the Board, I extend my heartfelt gratitude to our customers, employees, partners and investors for their trust and support. Looking ahead, we will continue to scale with purpose, explore new horizons and set new benchmarks in our industry.

Sincerely,

Yashovardhan Saboo
Chairman and Managing Director
Ethos Limited

Quantifying Our Success Through Time-Tested Strategies

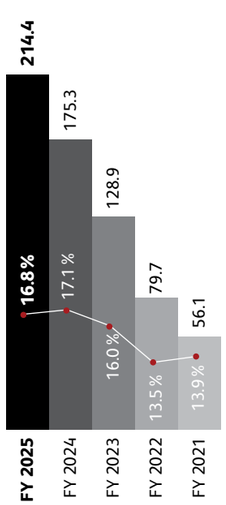
REVENUE
(₹ in Crore)



25.3% YoY

EBITDA AND EBITDA MARGIN
(₹ in Crore)

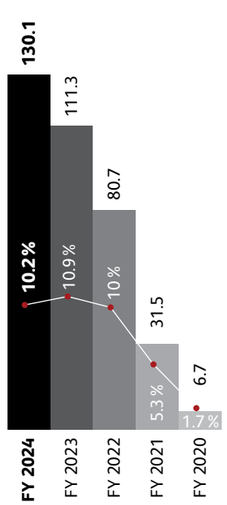
EBITDA — EBITDA margin



22.3% YoY

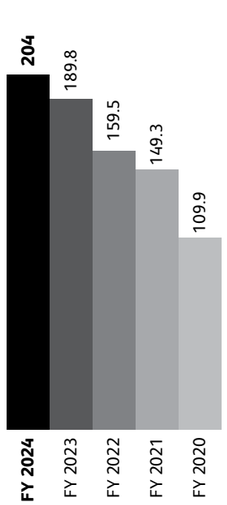
PBT AND PBT MARGIN
(₹ in Crore)

PBT — PBT margin



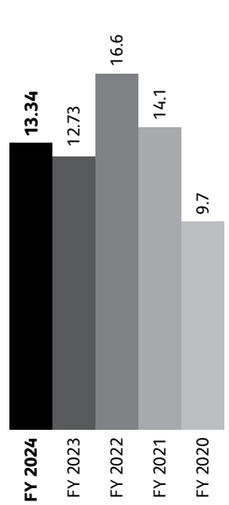
16.9% YoY

AVERAGE SELLING PRICE
(₹ in 000)



7.5% YoY

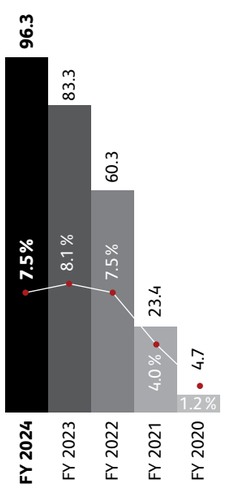
ROCE
(in %)



479 bps YoY

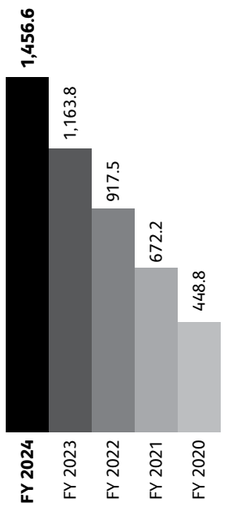
PAT AND PAT MARGIN
(₹ in Crore)

PAT — PAT margin



15.6% YoY

TOTAL BILLING
(₹ in Crore)



25.2% YoY



Crafting a Legacy Rooted in Vision, Value and Virtue

Inputs

₹ 982.2 crores
net worth indicating strong financial health.

428
frontline team members contributing to business operations.

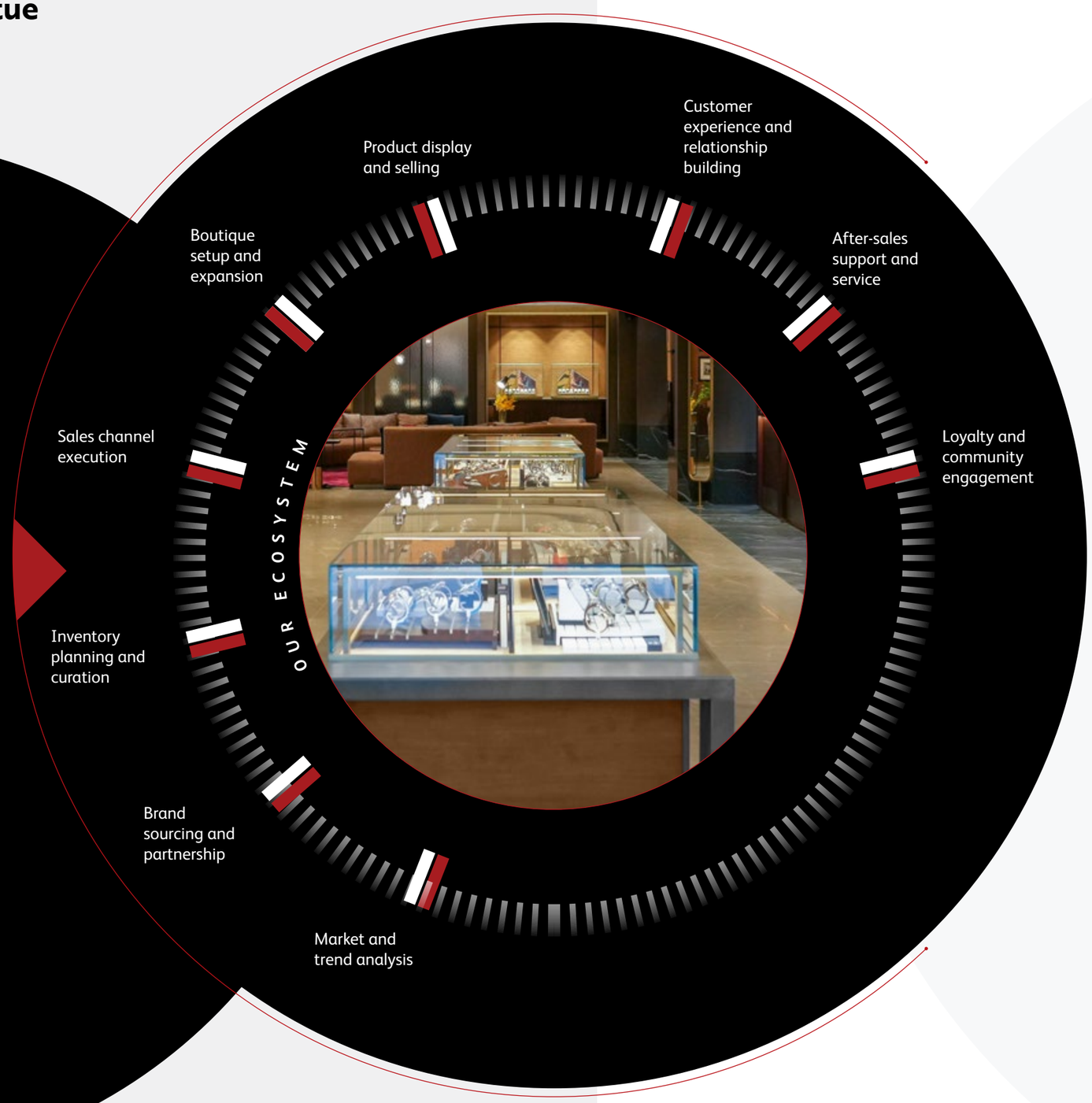
22148 hours
dedicated to employee learning and development.

73
retail stores operating across 26 Indian cities.

₹ 1.47 Cr
spent on community enrichment initiatives.

100 %
adherence to internal values and ethical business practices.

Strong
national footprint with presence in key metros and tier-2 cities.



Outputs

₹ 1,251.6 crore
Revenue

₹ 214.4 crore
EBITDA

₹ 96.3 crore
PAT

153
Women Employee

75+
Business partnership

1,456.6
Total billings

₹ 0.02 crore
Average selling price in FY2025

1,233
Certified pre-owned watches retailed

At Ethos, we converge time, luxury and innovation. With a collection of 5,000+ timepieces spanning premium to high-luxury segments, we consistently deliver excellence. Our vision is to become India’s leading destination for luxury watch connoisseurs by introducing the world’s most coveted brands to our discerning clientele, and we are achieving this through exclusive partnerships with esteemed brands.



Our Curated Portfolio of Iconic Timepieces

We offer the widest range of premium and luxury watch brands in our portfolio, sourcing products directly from brand owners, their Indian subsidiaries or authorised dealers. This approach allows us to guarantee authenticity and trust, while delivering a consistently exceptional luxury experience.

LUXURY TIERS WE OFFER

Premium segment
(Rs.0.25 lakhs - Rs.1 lakh per watch)



Bridge to luxury segment
(Rs.1 lakh - Rs.2.5 Lakhs per watch)





Luxury watch segment
(Rs.2.5 lakhs - Rs.10 lakhs per watch)



High luxury price points
(Rs.10 lakhs and above per watch)

NEW LAUNCHES



Dutch Watch Brand Christian van der Klaauw

Christian van der Klaauw, founded in 1974, is a prestigious Dutch watch brand celebrated renowned for its astronomical complications. Specialising in celestial-themed timepieces, with features such as like moon phases, planetariums , and sidereal time, the brand blends combines traditional, exquisite craftsmanship with astronomical precision. Iconic models such as the Real Moon Joure and Planetarium Eise Eisinga highlight showcase its Dutch horological artistry, making its creations both highly exclusive and collectible in the world of haute horology.



Signed Austrian Watch Brand Carl Suchy & Söhne

Established in 1822, Carl Suchy & Söhne was the official watchmaker to the Habsburg court, renowned for its impeccable quality and precision. Following the demise of the Habsburg Empire, the brand disappeared, However, in 2016, it was revived, restoring the synergy of Viennese elegance and Swiss precision. Known for limited-edition pieces such as the Waltz N°1, the brand combines minimalist design, fine craftsmanship and exclusivity, carrying forward its imperial heritage for modern collectors.



Signed American Brand Zero Haliburton

Founded in 1938, Zero Haliburton is an iconic American brand famed for its durable aluminium luggage. Its sleek cases have been trusted by business travellers, Hollywood stalwarts, and even NASA for carrying the Apollo moon rocks. Today, the brand offers luxury luggage and travel goods that blend rugged functionality with timeless style.



Launched Swiss Watch Brand HAUTLENCE

HAUTLENCE – an anagram of Neuchâtel – pays tribute to the birthplace of the watchmaking art and is known for its iconic TV-shaped cases and innovative time displays. Currently located in the canton of Schaffhausen, Switzerland, the brand blends tradition with avant-garde concepts, redefining the art watchmaking while staying true to its heritage.



Launched Swiss Watch Brand ID Geneve

Founded in Geneva in 2020 by three childhood friends, ID Genève is the first impact native luxury watch brand. Its debut Circular 1 collection featured locally sourced, traceable steel recycled from Jura industries, while the Circular S (Solar) and Circular C (Carbon) collections further its mission of sustainable innovation in watchmaking.



Launched Swiss Watch Brand Singer Reimagined

Singer Reimagined is an award-winning high-watchmaking brand based in Geneva. It is part of Singer Group, the California-based luxury brand globally renowned for its bespoke restorations of the Porsche 911. The brand embodies the spirit of reimagining —blending iconic design with modern engineering and material science.

SERVICES

At Ethos, our commitment extends far beyond sales.

We stand for our exceptional services, both during and after a purchase, providing the care and support your cherished timepieces deserve. Our state-of-the-art service centres, Ethos Watch Care, located in New Delhi and Bengaluru, are equipped with the latest horological technology. Staffed by highly skilled and certified technicians with a collective experience of over 100 years, the facility is dedicated to delivering optimal results.



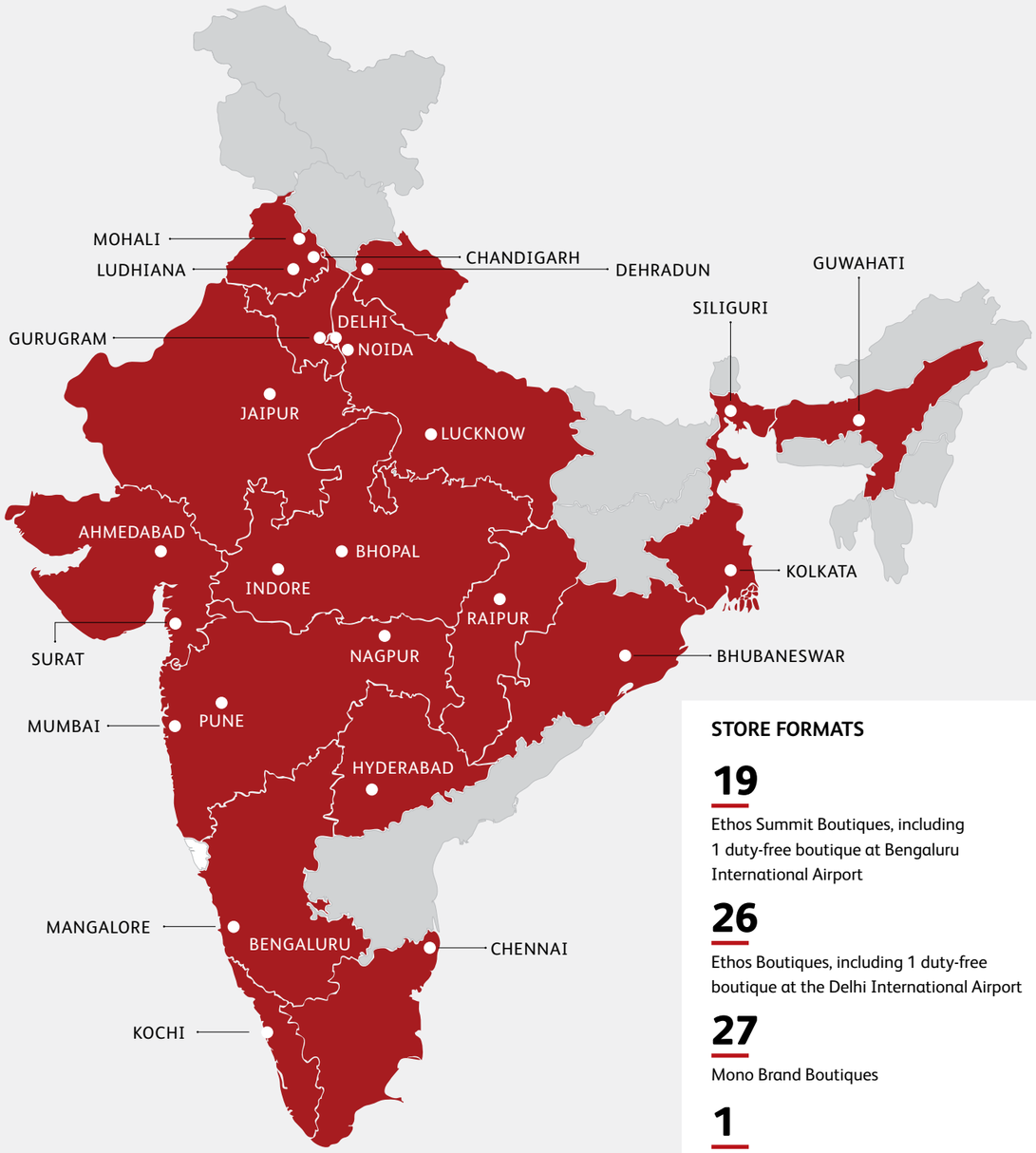


As the world's fastest-growing major economy, India's economic trajectory has been shaped by rising domestic consumption and a rapidly expanding affluent population. Luxury timepieces are no longer just a status symbol; they have evolved into long-term value purchases. Ethos understands these market dynamics and is focused on capitalising on emerging trends. By leveraging data and customer insights, we are strategically expanding beyond metropolitan areas, designing new stores that cater to the unique preferences of these markets.



Marking Our Presence Far and Wide

In FY 2025, we have increased our store count to 73, now covering 26 cities. With the addition of three new cities and a second duty-free outlet at Bengaluru airport, we continue to offer bespoke luxury experiences through both single-brand and multi-brand boutiques.



Map not to scale. For representation purpose only

STORE FORMATS

19
Ethos Summit Boutiques, including 1 duty-free boutique at Bengaluru International Airport

26
Ethos Boutiques, including 1 duty-free boutique at the Delhi International Airport

27
Mono Brand Boutiques

1
Second Movement Boutique

New store launches in FY 2025

14
Total new store launches in FY25

Boutiques opened in Q1 – (April to June 2024)



Summit Boutique – Kochi



Ethos Boutique – Dehradun





Ethos Boutique – Pune

Boutiques opened in Q2 – (July to September 2024)



Summit Boutique, Mall of Asia – Bengaluru



Breitling Boutique, Mall of Asia – Bengaluru



Summit Boutique – Mangaluru



Summit Boutique, T2 International Airport – Bengaluru



Hublot Boutique, Mall of Asia – Bengaluru

Boutiques opened in Q3 – (October to December 2024)



Bell & Ross Boutique, Mall of Asia – Bengaluru



IWC Boutique, Mall of Asia – Bengaluru



Summit, Tagore Garden - New Delhi



QLOCKTWO UB City – Bengaluru



2nd Ethos Boutique at Kolkata

Boutiques opened in Q4 – (January to March 2025)



Ethos Summit, Sunview Enclave –
2nd Boutique at Ludhiana, Punjab

Today’s modern consumers favour understate elegance and seek uniqueness in their purchases, looking for products that empower them to make a statement. Above all, it is the experience that truly resonates with them. Since our inception, we have been committed to understanding our consumers and delivering experiences that reflect our values and our promise to enrich the retail experience in India. To this end, we have introduced dedicated lounges that showcase the timepieces in a premium setting. Our dedicated team highlights the craftsmanship and quality of each watch, enhancing customer trust, reinforcing our credibility and setting us apart in the market.

Second Movement-Expertise Tailored for You

Second Movement is India's most trusted destination for buying and selling certified pre-owned luxury watches. Backed by Ethos Watch boutiques, the platform leverages deep market expertise and consumer insights to cater to every kind of watch enthusiast, from first-time buyers to seasoned collectors.

SECOND MOVEMENT'S UNIQUE PROPOSITION

First-Mover Advantage

India's only organised player with in-house capability to certify, restore and sell pre-owned luxury watches.

Curated Global Quality & Authenticity

Every timepiece undergoes rigorous verification and restoration, ensuring global standards and guaranteed authenticity.

State-of-the-Art Service Centre

Equipped with advanced tools to service all luxury brands, offering up to a 2-year warranty.

Trusted Expertise Backed by Ethos

Leveraging Ethos' infrastructure in finance, marketing, loyalty and sales to ensure operational excellence.

Exclusive Lounges for Premium Experience

Secure, personalised spaces elevate the buying and selling journey of pre-owned timepieces.

Unmatched Value & Variety

Evolving inventory offers something for every enthusiast, from first-time buyers to seasoned collectors.

Nationwide Reach & Digital Presence

Robust network of lounges and a seamless online platform make luxury watches accessible across India.

SOURCE

Evaluators | **Lounge** | **Website** | **Service Centre** | **Internet Sales Team** | **Ethos Stores**

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



Diversifying Across New Luxury Domains

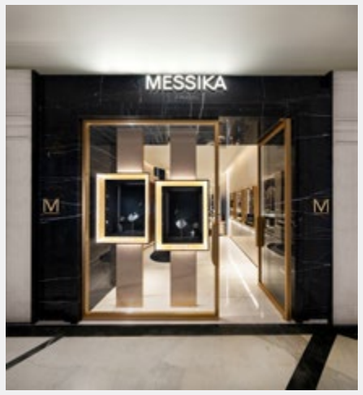
India's jewellery market is highly diverse and largely served by traditional Indian brands; however, we believe the growth of international jewellery brands is set to accelerate. Similarly, specialised categories such as travel accessories show considerable promise. In recognition of this, we have strategically ventured into product segments, including high-end luggage and premium jewellery. This expansion is designed to offer our customers with a more holistic luxury experience, catering to their diverse tastes and lifestyle needs.

Rimowa and Messika Boutiques

As part of this expansion, we have launched the first Rimowa boutique in India, showcasing its renowned luxury luggage range, alongside a Messika boutique featuring its exquisite jewellery collection.

Messika Jewellery

Founded in Paris in 2005 by Valérie Messika Paris has redefined luxury jewellery by blending the timelessness of diamonds with a modern touch. Known for its minimalistic yet bold pieces, it continues to push boundaries in the world of high jewellery, offering unique, versatile designs that complement every personality and occasion.







Rimowa

A global leader in premium luggage since 1898, Rimowa is renowned for its innovation and craftsmanship. Known for its iconic grooved aluminium design, it revolutionised the luggage industry with aviation-inspired materials. Rimowa seamlessly blends heritage with cutting-edge technology, offering luggage that is both functional and timeless.



Leveraging Technological Innovations

Ethos harnesses AI-driven insights, real-time data, and personalised customer experiences to streamline inventory management for greater efficiency and impact.



ETHOS APP

Ethos has pioneered digital innovation in the luxury watch space with the launch of India's first dedicated luxury watch app, available on both iOS and Android. More than just a retail platform, the app is designed to elevate and personalise the watch-buying journey, setting new benchmarks for luxury in India.

Features and functionality:

- Dynamic, auto-updated product pages with detailed information, rich visuals and immersive content.
- A seamless app-in-app experience for browsing our extensive range of certified pre-owned timepieces.
- Developed in collaboration with Amazon Web Services (AWS), the app integrates advanced AI tools such as a watch comparison feature, intelligent chatbot and customised user areas like "My Watch Collection" and "My Wishlist".

Next-Gen Sales and Marketing Approach

SALES CHANNEL

We maintain a strong nationwide presence through an well-integrated omni-channel approach. Our in-house stores are strategically located across Tier I, II, III cities as well as key metropolitan areas. Complementing this is our dynamic digital platforms, which allows us to cater to a wide spectrum of watch enthusiasts with ease and flexibility.

Our dedicated, professional staff cultivate lasting customer relationships, contributing to an impressive repeat purchase rate. A specialised inventory team ensures high-demand timepieces are consistently available across our various retail formats, including Ethos summit stores, multi-brand outlets, exclusive brand outlets and Second Movement Lounges.



OMNICHANNEL STRATEGY

We strive to deliver a seamless omnichannel experience for watch enthusiasts. Our website attracts over 12 million visitors, who explore our diverse collection using advanced filters such as price, features and gender. Backed by a team of expert watch specialists, we ensure prompt, personalised online assistance—enhancing both convenience and trust. This integrated digital strategy has significantly broadened our reach and deepened customer engagement.

12+ Million

Watch enthusiasts engaged

67+ Million

Page views

DIGITAL MARKETING

In today's digital-first world, we have embraced our omnichannel network to connect with a growing community of watch enthusiasts. With a database now exceeding 19 million, we execute targeted campaigns across social media, search engines, WhatsApp, email and other platforms— capturing attention and building lasting customer loyalty.

493k+

Followers across social media platforms

THE WATCH GUIDE

Ethos delivers thought leadership and expert insights into the world of luxury watches through The Watch Guide. Curated by seasoned in-house journalists and industry specialists, the platform publishes 52 new stories each month. It serves as a rich resource for in-depth features on luxury products, new launches and emerging trends, keeping our audience informed, engaged and connected.

ETHOS STUDIO AND SOCIAL MEDIA

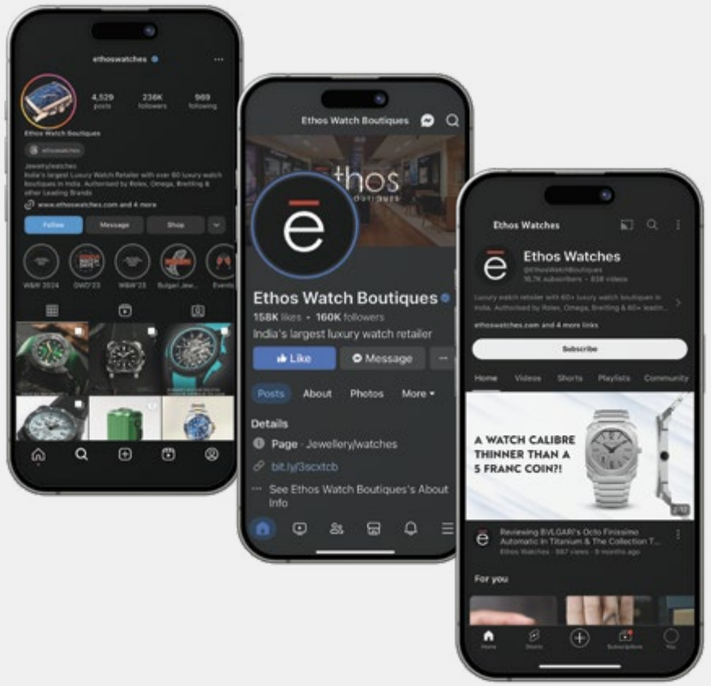
Ethos Studio, powered by a dedicated in-house team skilled in scriptwriting, filming, editing and production, creates engaging video content tailored to our audience. These original videos have been instrumental in expanding our online community, helping us reach over 2,87,000 followers across social platforms. This organic content boosts brand visibility and strengthens our connection with watch enthusiasts.

130

Organic videos

359+ million

Views on in-house videos



AFTER-SALES SERVICE

Our advanced service centre in New Delhi, staffed by expert watchmakers, has successfully reduced customer complaints by 90%. To further enhance customer convenience, we have launched Ethos Watch Care's nationwide pick-and-drop service. This service allows customers to enjoy premium after-sales support for their luxury watches from the comfort of their homes.





Stakeholder Engagement

INVESTORS AND SHAREHOLDERS

Why we engage

- Strategic insights from investor feedback help drive sustained shareholder value.
- Transparent dialogue enhances our corporate governance practices.
- Active investor participation supports long-term growth and resilience.
- Trust-based relationships encourage mutual value creation.
- Investor engagement promotes stronger ESG performance.

How do we engage

- We share proactive updates and ensure timely financial reporting.
- Regular earnings calls keep stakeholders informed of our performance.
- Statutory meetings are conducted in full compliance.
- Frequent investor interactions promote transparency and engagement.

Monitoring the impact

- We prioritise strong investor relationships and incorporate their feedback into our strategic decisions.
- Our investor engagement, particularly with institutional stakeholders, places a strong emphasis on ESG considerations.
- Data-driven insights from investor interactions help us refine strategies and enhance engagement outcomes.

Frequency of communication

Continuous

Channel of communication

- General meeting
- Notices
- Emails
- Website
- Annual reports
- Investor calls
- Investor meets
- Company events

BRAND PARTNERS AND SUPPLIERS

Why we engage

- We uphold brand integrity and support their sustained growth.
- Our supply chain practices prioritise social responsibility and environmental sustainability.
- Cross-functional collaboration drives alignment and achievement of common goals.
- We maintain continuous dialogue to identify new opportunities and co-create impactful initiatives.

How do we engage

- We engage in regular meetings at brand partner headquarters and our boutiques to ensure transparent communication.
- We collaborate on exclusive launches and strategic boutique expansions.
- We exchange insights on market trends, product assortments and long-term business planning.
- We provide staff training and work closely with suppliers to uncover new distribution opportunities.

Monitoring the impact

- We track sales performance of co-launched exclusive collections and new product introductions.
- We monitor the growth of our distribution channels and evaluate emerging market opportunities.
- We measure the effectiveness of training programs in enhancing staff expertise and boosting sales.
- We evaluate how shared market insights and planning data influence product mix and overall sales performance.

Frequency of communication

As and when required

Channel of communication

- Emails
- Personal meetings
- Website
- Events

CUSTOMERS

Why we engage

- Consistent interactions help build emotional bonds that drive brand loyalty and repeat purchases.
- Engaged customers are more inclined to choose Ethos when making buying decisions.
- Clear, effective communication encourages receptiveness to our innovations and marketing campaigns.
- Active engagement nurtures trust and deepens customer relationships

How do we engage

- We connect with customers across diverse platforms to maintain consistent and cohesive brand communication.
- Our presence on social media and in online communities strengthens engagement and interaction.
- We organise experiential events that highlight our offerings and leave lasting impressions.
- Digital tools help us share tailored content and customise each customer's journey.
- Our retail spaces are designed to deliver immersive brand experiences that go beyond just selling products.

Monitoring the impact

- We monitor customer visits at all locations and assess conversion rates.
- We collect feedback from multiple sources to understand customer sentiment.
- We analyse website traffic and conversion data to gauge online engagement.

Frequency of communication

Continuous

Channel of communication

- Direct contact
- Emails
- SMS
- Magazine
- Website
- Advertisement
- Events

REGULATORS

Why we engage

- Engaging with regulators helps protect our reputation and ensures compliance with industry standards.
- Collaboration enables us to discover opportunities that drive long-term success.
- We recognize our responsibility in supporting national development goals.
- Active engagement allows us to contribute to safeguarding the public interest.

How do we engage

- We focus on transparent and respectful communication to build trust with regulators.
- We proactively address and resolve any potential conflicts.
- We look for opportunities to collaborate with regulators on mutually beneficial initiatives.
- We advocate for industry concerns and work together with regulators to find solutions.
- We partner on research, innovation and advocacy efforts that align with regulatory objectives.

Monitoring the impact

- Ensuring our operations support national development objectives.
- Keeping communication channels open for continuous dialogue.
- Striving for a more efficient and streamlined business environment.
- Meeting our responsibilities to all stakeholders.

Frequency of communication

As per the statutory requirements

Channel of communication

- Emails
- Personal meetings
- Video calls
- Website

EMPLOYEES

Why we engage

- We uphold dignity and recognise the contributions of all employees.
- We cultivate a culture built on high standards and transparency.
- Engaged employees are passionate about their roles and drive the company's success.
- We invest in employee well-being through social and economic initiatives.

How do we engage

- We offer attractive benefit packages, including healthcare, education and leave options.
- We ensure a safe, comfortable and fully-equipped work environment.
- We invest in employee development through training and career growth opportunities.
- We maintain open and transparent communication across all employee levels.
- We recognise and celebrate employee achievements and contributions.

Monitoring the impact

- Engaged employees are more likely to stay with the company, lowering recruitment costs.
- A motivated workforce drives greater overall productivity.
- Satisfied employees create a positive work environment that draws top talent.
- Engaged employees feel valued and play a key role in building a strong company culture.

Frequency of communication

Continuous

Channel of communication

- Direct contact
- Social intranet
- Emails
- Employee apps
- Town hall meetings

COMMUNITY

Why we engage

- We believe that all those impacted by an issue should have a say in creating solutions.
- Community engagement enables us to drive long-term benefits for the communities we serve.
- Open communication promotes trust and collaboration.
- Our community engagement efforts align with the UN's Sustainable Development Goals.

How do we engage

- Our core values focus on treating everyone with respect and kindness.
- We contribute to environmental health by planting trees and preserving biodiversity.
- Committees oversee compliance throughout the organisation.
- We uphold transparency in all aspects of our operations.

Monitoring the impact

- We evaluate the development and sustainability of strong, positive communities.
- We measure the impact of our initiatives to ensure they achieve the desired outcomes.
- We assess whether community feedback is considered and their needs addressed.
- We track how our engagement aligns with and supports local governments' sustainability objectives

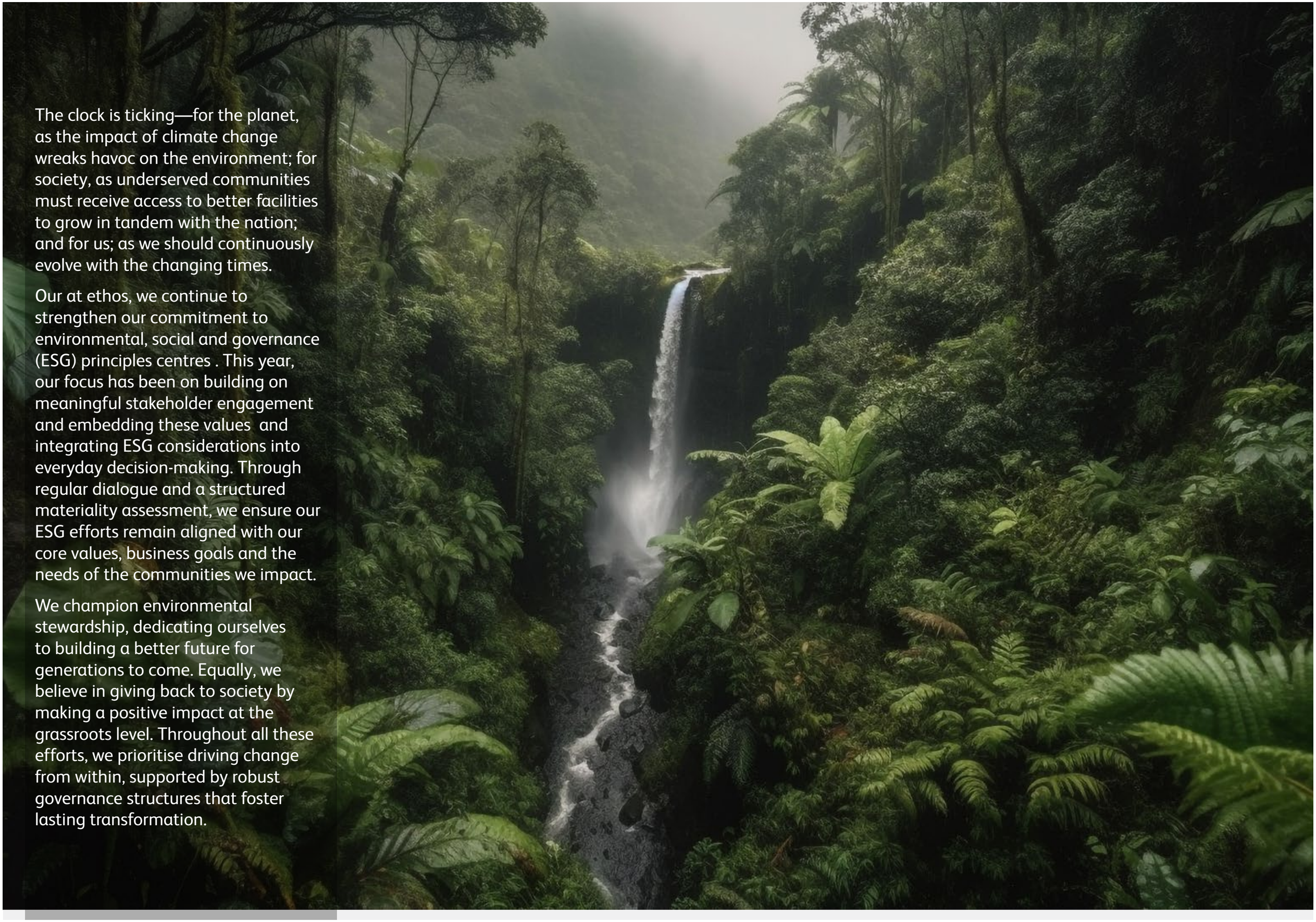
Frequency of communication

Continuous

Channel of communication

- Emails
- SMS
- Website
- Social media
- Advertisement





The clock is ticking—for the planet, as the impact of climate change wreaks havoc on the environment; for society, as underserved communities must receive access to better facilities to grow in tandem with the nation; and for us; as we should continuously evolve with the changing times.

Our at ethos, we continue to strengthen our commitment to environmental, social and governance (ESG) principles centres . This year, our focus has been on building on meaningful stakeholder engagement and embedding these values and integrating ESG considerations into everyday decision-making. Through regular dialogue and a structured materiality assessment, we ensure our ESG efforts remain aligned with our core values, business goals and the needs of the communities we impact.

We champion environmental stewardship, dedicating ourselves to building a better future for generations to come. Equally, we believe in giving back to society by making a positive impact at the grassroots level. Throughout all these efforts, we prioritise driving change from within, supported by robust governance structures that foster lasting transformation.

Environment

Our commitment to environmental responsibility is reflected in our efforts to reduce our carbon footprint through energy-efficient practices, responsible waste management and sustainable sourcing. We believe our progress must align with nature, as we take deliberate steps to build a sustainable future. During the year under review, we optimised resource consumption and encouraged greener practices across our value chain, making meaningful contributions to mitigate climate change.

COLLABORATION WITH SANKALPTARU FOUNDATION FOR RURAL LIVELIHOOD SUPPORT PROGRAMME

To create a lasting impact in an environmentally sustainable way, Ethos, in partnership with the SankalpTaru Foundation, launched the Rural Livelihood Support Programme. Under this initiative, 45,455 saplings were planted on the lands of selected rural farmers, identified through village visits and land verification. The programme not only promotes ecological restoration but also provides farmers with long-term economic benefits and an alternate source of income to improve their livelihoods.

TARGETS WE PLAN TO ACHIEVE

~23 acres
Of greenfield area

~3473.8 tons
Oxygen to be produced in a life span

~4416.75 tons
Carbon dioxide to be sequestered in its life span

PROJECT OBJECTIVES

- Plant trees
- Provide livelihood to farmers
- Increase green cover

THIS WILL HELP TOWARDS

- Providing an alternate source of income to the farmers
- Planting native, weather tolerant species of fruit-bearing trees to adapt to the changing climate conditions
- Reducing the rate of farmers' suicides because of crop failure
- Increasing the state's agricultural economy



SAPLINGS PLANTED



HARYANA
Species Planted
Guava, Sweetlime, Apple Ber, Lemon



RAJASTHAN
Species Planted
Amla, Lemon



KARNATAKA
Species Planted
Guava

COLLABORATION WITH SAYTREES

SayTrees is a community of dedicated environmentalists working to protect the planet for future generations. The organisation addresses climate change by designing and implementing solutions tailored to local needs, collaborating with individuals, partners and businesses. Its initiatives span agroforestry, social forestry, urban forestry, water body rejuvenation and waste management.

Ethos partnered with SayTrees to plant fruit and timber saplings in the State of Maharashtra, Andhra Pradesh and Karnataka. This project promotes sustainable practices, restores degraded farmland and helps combat climate change, while simultaneously generating rural employment and enhancing farmers' livelihoods—fostering economic empowerment in the community.



The phases of the project

Preparatory phase

- **Mapping Geography:** Identified suitable sites through detailed assessments of rainfall, soil health and community needs.
- **Partnering with Local Leaders:** Engaged field support organisations for smooth community collaboration.
- **Farmer Mobilisation:** Conducted farmland visits and discussions to build farmer participation.
- **Farmland Model:** Integrated expert-recommended tree species with farmer preferences and market opportunities.

Plantation Phase

- **Procurement Process:** Multi-stage quality checks ensured only healthy, resilient saplings suited for the local environment.
- **Distribution of Saplings:** Saplings were maintained with proper care and distributed after confirming rainfall and farmland readiness.
- **Plantation:** Farmers planted saplings within 5–6 days and were trained on staking techniques for better survival and stability.

Post-Plantation Phase

- **Post-Plantation Training:** Multiple sessions conducted on irrigation, pruning, pest management and natural farming techniques.
- **Farmer Sessions:** Trainings held in Kolar (9 farmers), Ananthapur (14 farmers) and Bagepalli (25 farmers) during Jan–Mar 2025.
- **Pest & Soil Management:** Farmers trained on Integrated Pest Management, waste decomposers, bio-inputs and soil testing.
- **Support with Farm Inputs:** 39 farmers in Ananthapur received secateurs and drums, with a special training session for women farmers.



Support beyond plantation

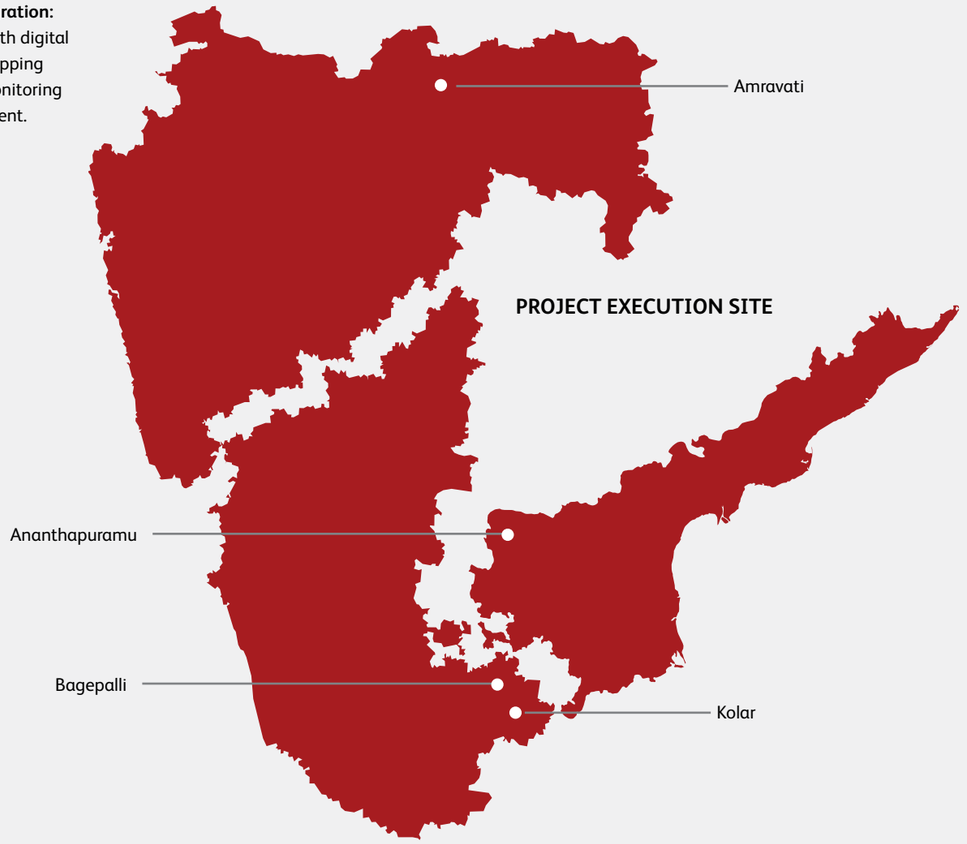
- **Field Visits:** Monthly farm visits ensure sapling health, farmer support, and timely problem-solving.
- **Technological Integration:** The SayTrees app with digital records and KML mapping enables accurate monitoring and impact assessment.

Key achievements

59,448
Saplings planted

417 acres
Land restored

185
Farmers empowered



People

Our People initiatives focus on creating a positive impact both within and in the wider community. Our people form the backbone of our organisation, diligently enabling us to provide customer experiences that set the benchmark of excellence in the industry. At the same time, our commitment to society drives us to refine our strategies to make a meaningful difference at the grassroots level.

HUMAN RESOURCE

Our pursuit of building a timeless legacy is powered by our employees— the true artisans behind delivering the bespoke Ethos customer experience. We recognise the vital role our team plays and are committed to providing a holistic work environment that supports both personal and professional growth. We foster a diverse, inclusive and results-driven workplace, enhancing employee engagement through learning and development programmes, alongside proper wellbeing initiatives. This nurtures a culture where talent thrives and every voice is valued.



810
Total workforce

TALENT MANAGEMENT

We are dedicated to attracting and nurturing individuals who share our core values and passion for horology. Our structured recruitment process identifies talent with strong customer relationship skills, while comprehensive onboarding ensures seamless integration. From day one, employees are introduced to our culture and ethics, encouraging a motivated and unified team.

LEARNING AND DEVELOPMENT

We believe continuous learning is key to delivering excellence. Our development programmes equip employees with the skills needed to surpass customer expectations and drive company growth.

- Staff benefit from specialised sessions led by watchmakers and visits to component manufacturers, building deep technical knowledge to handle complex timepieces.
- Sales Mastery: Ongoing training sharpens communication and selling skills, with the ‘INNER CIRCLE’ programme enhancing product knowledge across our in-house brands.
- **Performance Evaluation:** Regular assessments, supported by practical exercises, measure training outcomes and highlight areas for improvement.





DIVERSITY AND INCLUSION

Inclusivity is embedded in our values-career opportunities are never defined by gender, caste, race, sexuality, nationality or colour.

- **Empowering a Diverse Team:** We welcome talent from varied backgrounds, cultivating a workplace enriched by multiple perspectives and mutual respect.
- **Gender Diversity Focus:** We promote the representation of women across all functions, including our boutiques, enhancing both workplace inclusivity and customer experience.

19%

Female employees

EMPLOYEE WELL-BEING

We are committed to maintaining a safe and healthy workplace where our people can thrive. By embedding Health, Safety, and Environment (HSE) principles into our operations, we protect our employees while supporting organisational growth.

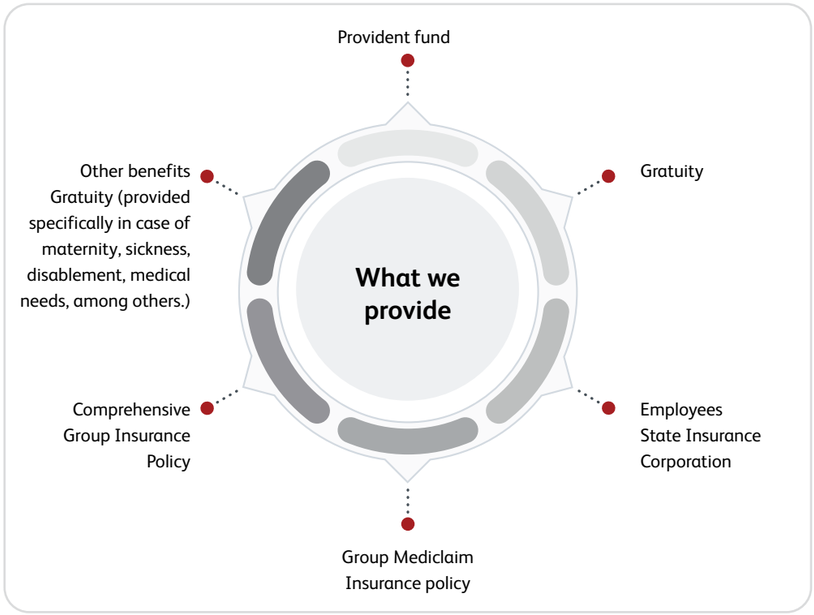
- **Leadership Commitment:** Our senior management prioritises HSE as a driver of operational excellence.
- **Employee Participation:** We involve all staff in strengthening and improving our HSE framework.
- **Preparedness:** Fire and safety drills are conducted regularly in collaboration with mall authorities, ensuring readiness across all our offices and stores.



EMPLOYEE ENGAGEMENT

Employee Benefits

Ethos provides a comprehensive benefits framework that supports both personal well-being and professional development. Our programmes are designed to foster work-life balance, empower employees to unlock their true potential and nurture long-term career growth. By investing in our people, we build a motivated, committed workforce. Additionally, high-quality uniforms for our sales staff ensure a consistent and professional brand presence.



Rewards and Recognition

We believe in celebrating the dedication and achievements of our employees through a robust rewards and recognition programme, inspiring excellence and encouraging continuous improvement.

- **Immediate Recognition:** Outstanding contributions are acknowledged promptly to reinforce positive performance.
- **Healthy Competition:** Regular sales contests motivate employees to achieve and surpass targets, with rewards for top performers at both individual and store levels.
- **Celebrating Excellence:** Exceptional achievements are highlighted and celebrated, ensuring employees feel valued for their efforts.



CSR

At Ethos Limited, we believe that true success goes beyond business growth and financial performance it lies in creating a meaningful impact on society and contributing to sustainable development. Guided by our core values of responsibility, integrity, and inclusivity, our CSR initiatives are designed to foster positive change in the communities we serve.

OUR APPROACH

For Ethos, CSR is not merely a statutory compliance, but a commitment to align business success with societal progress. We undertake projects that create long-term, sustainable impact with focus on the following priority areas:

- **Healthcare & Well-being** – Enhancing access to healthcare and creating awareness, with a strong emphasis on preventive care and wellness.
- **Environment & Sustainability** – Promoting eco-friendly practices, resource conservation, and environmental stewardship through community-driven initiatives.
- **Community Development** – Partnering with NGOs to uplift underprivileged sections of society, including through our Rural Livelihood Support Programme by way of Agro-Forestry, aimed at improving livelihoods and promoting sustainable rural development.
- **Promotion of Traditional Arts & Handicrafts** – Supporting artisans and craftspeople to preserve India's rich cultural heritage, while fostering skill development, market access, and sustainable livelihoods in this sector.

Through these initiatives, Ethos seeks to contribute to a healthier, more inclusive, and culturally enriched society, reinforcing our belief that business growth and community progress must go hand in hand.



Governance

Our corporate governance reflects our values and our unwavering commitment to responsible leadership. We consistently uphold transparency, accountability and ethical conduct across all our operations, fostering trust with all stakeholders.

GOVERNANCE PHILOSOPHY

Our governance approach is grounded in integrity and driven by accountability. We operate with a forward-looking mindset, ensuring that our policies and practices remain aligned with the evolving regulatory environment. We hold our partners across the value chain to the same high standards, fostering a culture of transparency and trust.

FRAMEWORK AND POLICIES

We have a well-established governance framework that includes

- **Code of Conduct for the Board and senior management**
- **Insider Trading Code**
- **Business Responsibility and Sustainability Report (BRSR)**
- **Whistle-blower Policy and Vigil Mechanism**
- **Anti-Corruption and Anti-Bribery Policies**
- **Prevention of Sexual Harassment Policy**

These policies serve to guide ethical behaviour, promote transparency and support a culture of continuous compliance and improvement.

DIVERSITY AND INCLUSIVITY

We remain committed to building a diverse and inclusive board and workforce. This year, we continued to promote gender diversity and inclusivity through active representation and robust internal policies.

WHISTLE-BLOWER PROTECTION

Our Vigil Mechanism and Whistle-blower Policy ensure that any concerns about misconduct can be reported confidentially and without fear of retaliation. These safeguards are critical in maintaining a workplace rooted in fairness, safety and mutual respect.

FY 2024–25 GOVERNANCE SNAPSHOT

5
Independent Directors

1
Woman Director

Nil
Grievances received

LOOKING AHEAD

We will continue strengthening our governance structure by embracing global best practices, engaging transparently with stakeholders and promoting a culture of ethical leadership at every level of the organisation.



Board of Directors



Yashovardhan Saboo
Chairman and Managing Director



Pranav Shankar Saboo
Managing Director and Chief Executive Officer



Anil Khanna
Independent Director



Charu Sharma
Independent Director



Dilpreet Singh
Independent Director



Mukul Krishan Khanna
Executive Director and Chief Operating Officer



Munisha Gandhi
Independent (Woman) Director



Sundeep Kumar
Independent Director

The above information is as at June 30, 2025

Team Leadership



Munish Gupta
Chief Financial Officer



Shubham Kandhway
Company Secretary and Compliance Officer



Juhi Chaturvedi
Head - Merchandising



Rajesh Pandey
National Sales Head



Saurabh Shrivastava
VP - Human Resource

The above information is as at June 30, 2025

Corporate Information

BOARD OF DIRECTORS

Mr. Yashovardhan Saboo
Chairman and Managing Director

Mr. Pranav Shankar Saboo
Managing Director and
Chief Executive Officer

Mr. Anil Khanna
Independent Director

Mr. Charu Sharma
Independent Director

Mr. Dilpreet Singh
Independent Director

Mr. Mukul Krishan Khanna
Executive Director and
Chief Operating Officer

Mrs. Munisha Gandhi
Independent (Woman) Director

Mr. Sundeep Kumar
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Munish Gupta

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Shubham Kandhway

COMMITTEES OF BOARD

Audit Committee

Mr. Anil Khanna (Chairman)
Mrs. Munisha Gandhi
Mr. Sundeep Kumar

Nomination & Remuneration Committee

Mr. Dilpreet Singh (Chairman)
Mr. Anil Khanna
Mr. Sundeep Kumar

Stakeholder's Relationship Committee

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

Corporate Social Responsibility Committee

Mr. Yashovardhan Saboo (Chairman)
Mrs. Munisha Gandhi
Mr. Pranav Shankar Saboo

Risk Management Committee

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

BANKERS

HDFC Bank Limited

HSBC Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

State Bank of India

STATUTORY AUDITORS

M/s Walker Chandiok & Co. LLP
Chartered Accountants
21st Floor, DLF Square Jacaranda Marg, DLF Phase II, Gurugram, Haryana-122002
Email: rohit.arora@WalkerChandiok.IN
Tel: +91 124 462 8099

SECRETARIAL AUDITORS

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

REGISTERED OFFICE

Plot No. 3, Sector-III, Parwanoo,
Himachal Pradesh- 173 220
Tel: +91 1792 232 462/233 402
E-mail : investor.communication@ethoswatches.com
Website: www.ethoswatches.com

CIN-L52300HP2007PLC030800

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E-mail : investor.communication@ethoswatches.com
Website: www.ethoswatches.com

HEAD OFFICE

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Virendra Gram MG Road, Near Guru Dronacharya Metro Station, Gurugram,
Haryana-122 002
Tel: +91 124-6932100
E-mail : investor.communication@ethoswatches.com
Website: www.ethoswatches.com

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
Tel: + 91 40 6716 2222/ 180034 54001
Email: ethosltd@kfintech.com
Website: www.kfintech.com

HOLDING COMPANY

KDDL Limited, India

SUBSIDIARY

Cognition Digital LLP, India
Ethos Lifestyle Private Limited (formerly known as RF Brands Private Limited), India
Ficus Trading LLC, UAE

JOINT VENTURE

Pasadena Retail Private Limited, India

ASSOCIATE BODY CORPORATE

Silvercity Brands AG, Switzerland

Notice to Members

Notice is hereby given that the **18th (Eighteenth) 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	:	Monday, September 15, 2025
Time of the meeting	:	11:00 AM IST
Mode of the meeting	:	Through Video Conferencing ('VC')/ Other Audio Video Means (OAVM)

Ordinary Business:

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

   To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 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, 2025 (including the Balance Sheet as at March 31, 2025; Statement of Profit and Loss; Cash Flow Statement for the year ended March 31, 2025; Statement of changes in Equity for the year ended March 31, 2025 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."

2. 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. Mukul Krishan Khanna (DIN: 10939041), 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** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Mukul Krishan Khanna (DIN: 10939041) , who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."

Special Business:

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

   To appoint Mr. Vishal Arora, Practicing Company Secretary, as Secretarial Auditor of the Company.

   "RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and re enactments thereof for the time being in force), Regulation 24A and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of the Audit Committee and the Board of Directors, Mr. Vishal Arora, Practicing Company Secretary, (Certificate of Practice no. 3645 and Peer review certificate no. 1219/2021), be and is hereby appointed as Secretarial Auditor of the Company for a term of five consecutive years, commencing from financial year 2025-26 upto financial year 2029-30 at such remuneration and on such terms and conditions as may be determined by the Board of Directors of the Company (including its Committee(s) thereof) in consultation with the Secretarial Auditors, to conduct Secretarial Audit of the records of the Company and to furnish the Secretarial Audit Report thereon."

   "**RESOLVED FURTHER THAT** any Director or Company Secretary be and is hereby authorized to do all such acts, deeds, things and to sign all such documents and writings as may be necessary to give effect to this resolution, including filing of necessary forms with the Registrar of Companies and other statutory authorities as may be required."

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

To consider and recommend the Variation in Object Clause of the Prospectus dated May 25, 2022 to vary and extend the timeline for utilisation of unutilised IPO proceeds

"**RESOLVED THAT** pursuant to the provisions of Section 27 of the Companies Act, 2013 read with Rule 7 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Regulation 59 and Schedule XX of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of members of the Company be and is hereby accorded to vary and extend the timeline for utilisation of unutilised IPO proceeds amounting to ₹ 690.04 Lakh (as on August 14, 2025) originally allocated under the object "Financing the establishment of new stores and renovation of existing stores" in the Prospectus dated May 25, 2022 in the manner as mentioned in the explanatory statement annexed to this Notice.

RESOLVED FURTHER THAT the unutilised amount be deployed under the existing object "Financing the establishment of new stores and renovation of existing stores" with the utilisation to be completed by June 30, 2026.

RESOLVED FURTHER THAT any Director or Company Secretary be and is hereby severally authorised to finalise and issue the notice of Annual General meeting, make necessary filings with stock exchanges and other statutory authorities, appoint professionals and carry out all acts, deeds and things as may be necessary or incidental to give effect to this resolution."

By Order of the Board of Directors of Ethos Limited

Shubham Kandhway
Company Secretary
Membership no. : F10757

August 14, 2025
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
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 and 4 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.

2. A) The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 20/2020, dated May 05, 2020 respectively read with the subsequent circulars issued from time to time, including the latest General Circular No. 09/2024 dated September 19, 2024 ("MCA Circulars"), and Securities and Exchange Board of India vide its Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, has permitted the Companies to hold Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility without the physical presence of the Members at a common venue till September 30, 2025. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 18th AGM of the Company shall be conducted through VC/OAVM facility. This AGM is being convened in compliance with applicable provisions of the Act read with various circulars issued by MCA and SEBI, from time to time.

   B) AGM through VC/OAVM:-

   a. Members are requested to join the AGM on Monday, September 15, 2025 through VC/OAVM mode latest by 10:45 AM 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 11:00 AM IST and may be closed at 12:00 PM 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 with a copy marked to shubham.kandhway@ethoswatches.com from September 8, 2025 till September 12, 2025

   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.

   e. The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.

3. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 which came into effect from December 13, 2024, the requirement to send proxy forms is not applicable to general meetings held only through electronic mode. As this AGM would be conducted through VC/ OAVM, the requirement to provide facility for appointment of Proxy by the Members is not applicable. Hence, the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

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 with a copy marked to investor.communication@ethoswatches.com and shubham.kandhway@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. Monday, September 15, 2025. Members seeking to inspect such documents can send an email to investors.communication@ethoswatches.com with a copy marked to shubham.kandhway@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.

11. Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Monday, September 8, 2025, may cast their votes electronically. 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 Monday, September 8, 2025 A person who is not a member as on the cut-of date is requested to treat this Notice for information purposes only. Members can exercise their right to vote through remote e-voting during the following period:

Commencement of remote e-voting	Friday, September 12, 2025 (9:00 A.M. IST)
End of remote e-voting	Sunday, September 14, 2025 (5:00 P.M. IST)

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 Kfintech, 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. Monday, September 8, 2025, may obtain the login ID and password by sending a request at investor.communication@ethoswatches.com with a copy marked to shubham.kandhway@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. Monday, September 8, 2025 may follow steps mentioned in the Notice under 'Instructions for e-voting'.

16. In compliance with the Circulars, the Annual Report 2024-25, the Notice of the 18th (Eighteenth) 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, to receive copies of the Annual Report 2024-25 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 18th (Eighteenth) AGM and the Annual Report 2024-25 will also be available on the Company's website, www.ethoswatches.com , websites of the stock exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and 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 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

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 Voting through electronic means (Remote e-voting)

Instructions for Remote E-Voting

A. The Procedure and Instructions for Remote E-Voting Through Depositories/DP (for Holding in Demat Mode) are as under:

In case a Member holding securities in DEMAT mode, they shall receive an e-mail from KFin Technologies Limited (KFin) [for Members whose email IDs are registered with the Company / Depository Participant(s) / Depositories/ KFin] informing them of their User Id and Password: Individual Shareholders (holding securities in DEMAT mode) - Login through Depositories

Individual Shareholders (holding securities in DEMAT mode) - Login through Depositories

NATIONAL SECURTITIES DEPOSITORY LIMITED ("NSDL")	CENTRAL DEPOSITIORY SERVICES LIMITED ("CDSL")
1. User already registered for IDeAS facility:	**1. Existing user who have opted for Easi / Easiest**
I. URL: https://eservices.nsdl.com	I. URL: https://web.cdslindia.com/myeasinew/home/login II. URL: www.cdslindia.com
II. Click on the "Beneficial Owner" icon under 'IDeAS' section.	III. Click on New System Myeasi
III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	IV. Login with user id and password.
IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	V. Option will be made available to reach e-Voting page without any further authentication. VI. Click on e-Voting service provider name to cast your vote.
2. User not registered for IDeAS e- Services	**2. User not registered for Easi/Easiest**
I. To register click on link https://eservices.nsdl.com	I. Option to register click on link: https://web.cdslindia.com/myeasinew/Registration/EasiRegistration
II. Select "Register Online for IDeAS" or click onhttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	II. Proceed with completing the required fields.
III. Proceed with completing the required fields.	

NATIONAL SECURTITIES DEPOSITORY LIMITED ("NSDL")	CENTRAL DEPOSITIORY SERVICES LIMITED ("CDSL")
3. By visiting the e-Voting website of NSDL	**3. By visiting the e-Voting website of CDSL**
I. URL: https://www.evoting.nsdl.com/	I. URL: https://www.evotingindia.com/ or URL:https://evoting.cdslindia.com/Evoting/EvotingLogin
II. Click on the icon "Login" which is available under 'Shareholder/Member' section.	II. Provide demat Account Number and PAN
III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.	III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.	IV. After successful authentication, user will be provided link for the respective E-voting Service Provider where the e-Voting is in progress.
V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	
VI. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience NSDL Mobile App is available on App Store Google Play	

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

Individual Shareholders (holding securities in DEMAT mode) - Login through their Depository Participants:

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

B. LOGIN METHOD FOR NON-INDIVIDUAL SHAREHOLDERS AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL FORM

a. Initial Password is provided in the body of the email.

b. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

c. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No. /DP ID Client ID will be your User ID. Take the following steps to login thereafter :

I. After entering the details appropriately, click on LOGIN.

II. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

III. You need to login again with the new credentials.

d. Alternatively, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes. If you are already registered and have forgotten your password, you may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password, which shall be sent to your email ID registered against your Folio No. / DP ID Client ID.

e. On successful login, the system will prompt you to select the EVENT i.e.

f. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

g. Click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

h. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who is/are authorized to vote, to the Scrutinizer through email at jaspreetsdhawan1@gmail.com with a copy marked to evoting@kfintech.com and investor.communication@ethoswatches.com with a copy marked to evoting@kfintech.com and may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Ethos Limited – Annual General Meeting 2025."

C. OTHER INSTRUCTIONS:

a. Once the vote on resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

b. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at https://evoting.kfintech.com under help section or call on 1800 309 4001 (toll free). All grievances connected with the facility for voting by electronic means may be addressed to KFin by sending an email to evoting@kfintech.com or call 1800 309 4001 (Toll Free).

In case of any query and/or grievance, in respect of voting by electronic means, Members are requested to contact:

Name & Designation: Mr. Sashidhar S Mannava, Vice President or Mr. Balaji Reddy, Senior Manager

E-mail IDs: einward.ris@kfintech.com; evoting@kfintech.com ; balajireddy.s@kfintech.com

Address: Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032.

Phone No. 040 6716 2222, Fax No. 040 2342 0814, Toll Free No. 1800 309 4001

d. In case of Joint holders, login ID/User Id and password details shall be sent to the first holder of the shares. Accordingly, the vote using user ID and Password sent to first holder is recognized on behalf of all the joint holders as the shareholder who casts the vote through the remote e-voting services of KFin, is doing so on behalf of all joint holders. First holder shall mean the holder of shares, whose name is first registered against the shares held.

e. 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).

f. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e., Monday, September 8, 2025, may obtain the User ID and Password in the manner as mentioned below:

i. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com , the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

ii. If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.

iii. The Registrar and Share Transfer Agent ("RTA") of the Company has launched a unified platform "KPRISM" for the benefit of shareholders. KPRISM is a self-service portal that enables the shareholders to access their portfolios serviced by KFIN, and check details like dividend status and make request for annual reports, change of address, update bank mandate, download standard forms, etc. The portal can be accessed at https://kprism.kfintech.com For more assistance on KPRISM, shareholders may contact on 040-67162222.

The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC/OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform and no separate login is required for the same.

Other Instructions:

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

(ii) 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.

(iii) 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.

(iv) 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, BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at 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, were 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

Item no. 3

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('the Act'), a listed company is required to undertake Secretarial Audit conducted by Secretarial Auditors and annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, SEBI vide its notification dated December 12, 2024, amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). As per the revised Regulation, the listed entity is required to appoint a Secretarial Audit firm, for a maximum of two terms of five consecutive years each, who is a peer reviewed company secretary, and meets the eligibility criteria, as specified in Regulation 24A of the SEBI Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, subject to Members' approval at the Annual General Meeting.

Accordingly, pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on August 14, 2025, approved the appointment of Mr. Vishal Arora, Practicing Company Secretary (Certificate of Practice no. 3645 and Peer review certificate no. 1219/2021) as the Secretarial Auditor of the Company for a term of five consecutive years i.e. from financial year 2025-26 to financial year 2029-30.

Mr. Vishal Arora is a Company Secretary in Practice, specialized in Secretarial Audit and other corporate law matters. The firm is registered with the Institute of Company Secretaries of India and has an experience of more than 30 years in providing various corporate law services such as corporate governance, comprehensive corporate compliances, and secretarial audits for both private and government sectors. Experienced in handling listing assignments on NSE and BSE, FEMA compliance, as well as arbitration, RERA, and consumer court matters. Serves clients across manufacturing, services, and diverse industry sectors. Since then, practicing across diverse fields including Corporate Law, Drafting, GST, Trademarks, FSSAI compliance, Human Resource management, Accounting, and Financing etc. The firm also holds a valid Peer Review Certificate. He has given his consent to act as Secretarial Auditor of the Company and confirmed that their aforesaid appointment (if made) would be within the limits specified by the Institute of Company Secretaries of India. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors and are in compliance with independence requirements as prescribed under the Auditing Standards issued by the Institute of Company Secretaries of India, and other applicable rules and regulations.

Mr. Vishal Arora, Practicing Company Secretary, is currently the Secretarial Auditor of the Company It may be noted that in terms of the revised Regulation 24A of the Listing Regulations, any association of the Secretarial Auditors before March 31, 2025, shall not be considered for the purpose of calculating the tenure.

The proposed remuneration payable to Mr. Vishal Arora for secretarial audit services will be ₹ 1 Lakh, per financial year plus out of pocket expenses. Revision, if any, to the fees for subsequent year(s) of their term, shall be approved by the Board of Directors of the Company (including its Committee(s) thereof), as may be required from time to time.

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

The Board of Directors recommends the resolution as set out in Item No. 3, for approval of the Members of the Company by way of an Ordinary Resolution.

Item no. 4

Pursuant to the Board Resolution dated December 01, 2021 and the special resolution in the Extra-Ordinary General Meeting ("EGM") by the shareholders of our Company held on January 18, 2022 the Company had raised ₹ 37,500 lakhs from the initial public offer of its equity shares (the 'Issue'). The net proceeds from the Issue were ₹ 33,968.95 lakhs (hereinafter referred to as "IPO Proceeds"). The Company had, in terms of Prospectus dated May 25, 2022, proposed to utilise the IPO Proceeds as per the following schedule of implementation and deployment and the clause wise details as specified in sub-rule (3) of rule 3 as was required with respect to the originally proposed objects of the issue: -

Amount in ₹ Lacs

S. No.	Particulars of the objects of IPO	Amount proposed in the Prospectus	Amount utilized till date	Amount unutilized as on August 14, 2025	Comments
1	Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our company	2,989.09	2,989.09	-	Entire amount was utilized during the Quarter ended December 31, 2022
2	Funding working capital requirements	23,496.22	23,496.22	-	Entire amount was utilized during the Quarter ended March 31, 2024
3	Financing the establishment of new stores and renovation of existing stores	3,327.28	2637.24	690.04	Un-utilized amount proposed to be utilized by June 30, 2026
4	Financing the upgradation of Enterprise Resource Planning (ERP)	198.01	198.01	-	Entire amount was utilized during the Quarter ended September 30, 2024.
5	General Corporate purpose	3,958.35	3,958.35	-	Entire amount was utilized during the Quarter ended March 31, 2024.
	Total	**33,968.95**	**33278.91**	**690.04**	

However, it is further informed that the unutilised amount under Object 3 could not be deployed due to repeated GRAP restrictions in Delhi NCR and unforeseen delays from the global brands in approving the design of the stores. These factors were beyond the Company's control.

It is now proposed to vary and extend the timeline for utilisation of unutilised IPO proceeds and deploy the remaining funds by June 30, 2026.

The relevant and material information required under the Rule 3 (3) of the Companies (Prospectus and Allotment of Securities) Rules and Rule 7(1) 2014 are as follows:-

1.	The original purpose/objects of issue	a) Repayment or pre-payment, in full or in part, of all or certain borrowings availed by our company – ₹ 2,989.09 lacs b) Funding working capital requirements - ₹ 23,496.22 lacs c) Financing the establishment of new stores and renovation of existing stores – ₹ 3,327.95 lacs d) Financing the upgradation of Enterprise Resource Planning (ERP) – ₹ 198.01 lacs e) General Corporate purpose – ₹ 3,958.35 lacs
2.	Total money raised	₹ 33,968.95 lacs
3.	The money utilised for the objects of the Company stated in the Prospectus (as at August 14, 2025)	₹ 33278.91 lacs
4.	The extent of achievement of proposed objects (that is fifty percent, sixty percent etc.)	97.97%
5.	The unutilised amount out of the money so raised through prospectus	₹ 690.04 lacs
6.	The particulars of the proposed variation in the terms of the contracts referred to in the prospectus or objects for which prospectus was issued	As stated above
7.	The reason and justification for seeking variation	Unutilised amount under Object 3 could not be deployed due to repeated GRAP restrictions in Delhi NCR and unforeseen delays from the global brands in approving the design of the stores. These factors were beyond the Company's control. It is now proposed to vary and extend the timeline for utilisation of unutilised IPO proceeds and deploy the remaining funds by June 30, 2026.
8.	The proposed time limit within which the proposed varied objects would be achieved	The proposed time limit within which the proposed varied objects will be deployed is June 30, 2026
9.	The clause wise details as specified in sub-rule (3) of rule 3 as was required with respect to the originally proposed objects of the issue	As stated above
10.	The risk factors pertaining to the new projects	Not Applicable. The Company is seeking to vary and extend the timeline for utilisation of unutilised IPO proceeds and deploy the remaining funds by June 30, 2026
11.	The other relevant information which is necessary for the members to take an informed decision on the proposed resolution	None

The intention of the Board and the Management is to enhance shareholder value by utilizing the issue proceeds adequately which will lead to increase in profitability. Your Board recommends the resolution for the member's approval by way of Special Resolution.

The promoter/shareholders in control shall provide an exit opportunity to the dissenting shareholders to the proposed resolution subject to the conditions as prescribed in the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018. The Promoters shall also appoint merchant banker, if required to determine the said exit offer price in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in the resolutions mentioned at Item no. 4 of the Notice.

The Board recommends the resolution set forth in Item no. 4 for the approval of the Members

By Order of the Board of Directors
For Ethos Limited

Shubham Kandhway
Company Secretary
Membership no. : F10757

August 14, 2025
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
investor.communication@ethoswatches.com

Annexure - I to the Notice dated August 14, 2025

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

Name of Director	Mr. Mukul Krishan Khanna
DIN	10939041
Date of Birth	January 5, 1971
Age (in years)	54
Date of first appointment on the Board	He was appointed as an Additional Director w.e.f. February 14, 2025 and Whole Time Director from April 1, 2025. He is also the Chief Operating Officer of the Company since May 1, 2024
Qualifications	He holds an MBA in Marketing from NMIMS Mumbai and an M. Sc in Chemistry from Panjab University Chandigarh, he's certified in Independent Directorship, Digital Marketing & Analytics, and Blockchain for Business.
Experience and expertise in specific functional area	He has been associated with the Company since May 1, 2024, as the Chief Operating Officer. Previously, he has worked as Circle Business Head at Idea Cellular, EVP Marketing at Vodafone Idea & National Sales Head SMB at Tata Business Hub.
Brief resume	Mr. Mukul Khanna is an accomplished Business Leader with 25 plus years' experience across consumer durables, telecom, SAAS, and e-commerce, excels in P&L Management, Business Strategy, Brand & Revenue Marketing, Product Management, Sales, and Partnerships. Holding an MBA in Marketing from NMIMS Mumbai and an M. Sc in Chemistry from Panjab University Chandigarh, he's certified in Independent Directorship, Digital Marketing & Analytics, and Blockchain for Business. Notable roles include Circle Business Head at Idea Cellular, EVP Marketing at Vodafone Idea & National Sales Head SMB at Tata Business Hub, with a track record of driving profitability, strategic planning, and team leadership, he's poised to bring industry-agnostic expertise to Ethos.
Terms and conditions of appointment	As stated in the Notice and Explanatory statement
Remuneration last drawn in financial year 2024-25 (₹ in lacs)	₹ 2 Crores
Remuneration sought to be paid	Not Applicable
Number of Board meetings attended during the year 2024-25	1
Directorships held in other listed companies (as on March 31, 2025)	Nil
Directorships held in other companies (as on March 31, 2025) (excluding foreign companies and Section 8 companies)	Nil
Chairmanship/Membership of Committees of the Board of Directors of other Companies (as on March 31, 2025)	Nil
Listed Entities from which he has resigned as Director in past 3 years	Not Applicable
Shareholding as on March 31, 2025	49 shares
Relationship with other Directors/Key Managerial Personnel(s)	Not related to any Director/ Key Managerial Personnel(s)

Board's Report

To the Members of
Ethos Limited

Your directors have pleasure in submitting the **18th (Eighteenth) Annual Report** of the Company together with the Audited Financial Statements of Accounts for the financial year ended on March 31, 2025.

1. Financial Results

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

(₹ in crores)

Particulars	Standalone		Consolidated	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue from operations and other income	1,276.5	1,020.1	1,275.9	1,022.6
Total expenditure	-1,062.7	-847.5	-1,061.6	-847.3
Earnings before finance cost, tax, depreciation, and amortization (EBITDA)	213.9	172.6	214.4	175.3
Finance costs	-19.4	-16.0	-19.4	-16.0
Depreciation	-62.9	-48.1	-63.0	-48.7
Profit before share of joint venture and tax	131.6	108.6	131.9	110.6
Share of Profit of joint venture (net of income tax)	0.0	0.0	-1.9	0.7
Profit before tax	131.6	108.6	130.1	111.3
Tax expenses	-33.3	-27.3	-33.8	-28.0
Profit for the year	98.2	81.3	96.3	83.3
Other comprehensive income/(loss)	-0.1	-0.1	1.9	-0.4
Total comprehensive income for the year	98.1	81.2	98.2	82.9

2. Results of operations and the state of Company's affairs

The financial year 2024-25 has been very successful for Ethos Limited, with substantial growth in both revenue and profitability. This achievement can be attributed to its focussed marketing efforts, innovative digital initiatives, supported by robustly growing economy and consumer sentiments. Through the year, Ethos Limited opened 14 new stores, while simultaneously closing /merging 3 stores. As a result, Ethos Limited's total store count increased from 62 to 73. Furthermore, it expanded its presence into 3 cities (Dehradun, Kochi, and Mangaluru) increasing its reach to a total of 26 cities, compared to 23 cities in the previous year.

Ona standalone basis, Ethos Limited's revenue from operations and other income for FY 2024-25 exhibited an impressive growth rate of 25.14%, amounting to ₹ 1,276.51 Cr. Similarly, on a consolidated basis, it achieved a growth rate of 24.77%, reaching ₹ 1,275.93 Cr. In terms of net profit after tax (PAT), Ethos Limited's standalone performance for FY 2024-25 was remarkable, with ₹ 98.25 Cr.

On a consolidated basis, its net profit after tax (PAT) for FY 2024-25 amounted to ₹ 96.29 Cr, a significant rise from ₹ 83.29 Cr 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 the outreach of the digital channel accounting for 37.2% of its billings, Ethos leverage the fact that a significant number of customers prefer to research and enquire about luxury watches using digital platforms. Moving forward, it will continue to innovate and allocate resources to digital marketing, combined with superb in store experience ensuring sustained engagement with its customer base. Overall, Ethos's remarkable performance in FY 2024-25, 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

4. Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, (the Act) the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for the Financial Year 2024-25 in the Statement of Profit and Loss.

5. Share Capital

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

The authorized share capital of the Company is ₹ 61,40,00,120 (Rupees Sixty-One Crores Forty Lakhs One Hundred and Twenty only) divided into 3,07,00,000 Equity shares of ₹ 10 each, 5,76,924, 14% cumulative compulsory convertible preference shares of ₹130 each, 12,00,000, 12% cumulative redeemable preference shares of ₹110 each, 10,00,000, 12% non-cumulative redeemable preference shares of ₹100 each.

The Paid-up equity share capital of the Company as on March 31, 2025 is ₹ 24,48,04,430 (Rupees Twenty-Four Crores Forty-Eight Lakhs Four Thousand Four Hundred and Thirty only) divided into 2,44,80,443 equity shares of ₹ 10 each.

6. Material changes and commitment, if any, affecting the financial position of the Company between the end of the Financial Year and Date of Report

The Company completed fund raising by way of Rights Issue for 22,77,250 equity shares having face value of ₹ 10 each at a securities premium of ₹ 1,790 per share for an aggregate amount not exceeding 409,90,50,000 (Rupees Four Hundred and Nine Crores Ninety Lakhs Fifty Thousand only)

The Company has incorporated a Wholly Owned Subsidiary in Dubai under the name Ficus Trading LLC in April 2025. The Company has invested ₹ 69,87,000 towards the subscription of 300 equity shares of AED 1,000 each in the said subsidiary.

Further, Ethos Lifestyle Private Limited (formerly RF Brands Private Limited) ceased to be a wholly owned subsidiary of the Company effective July 16, 2025, pursuant to preferential issue of shares. It continues to be the subsidiary of the Company.

There are no other material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

7. 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

8. Proceedings under Insolvency and Bankruptcy Code, 2016

During the year under review, there were no proceedings that were filed by the Company or against the Company, which are pending under the Insolvency and Bankruptcy Code, 2016, as amended, before National Company Law Tribunal or other Courts.

9. 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.

The Company had invested an amount of ₹ 5,00,00,000 (Rupees Five Crores Only) in the paid up share capital of Ethos Lifestyle Private Limited (formerly RF Brands Private Limited), Wholly Owned Subsidiary[1] of the Company by subscribing to 50,00,000 equity shares of ₹ 10 each through Rights Issue.

The Company had invested an amount of ₹ 9,51,65,985 (Rupees Nine Crores Fifty One Lakhs Sixty Five Thousand Nine Hundred and Eighty Five Only) in the paid up share capital of Silvercity Brands AG, associate body corporate of the Company by subscribing to 3,46,000 equity shares of Silvercity Brands AG.

10. 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.

11. Board Meetings

During the financial year under review, seven Board meetings 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.

12. Audit Committee and other Board Committees

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

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance annexed as **Annexure-1**.

The Company has adopted Code of Conduct for its Directors and senior management personnel and the same can be accessed

[1]Ethos Lifestyle Private Limited (formerly RF Brands Private Limited) ceased to be a wholly owned subsidiary of the Company effective July 16, 2025, pursuant to preferential issue of shares. It continues to be the subsidiary of the Company

using the following 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.

13. Risk Management

Pursuant to the requirements of Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), the Company has constituted a Risk Management Committee (RMC) 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

14. 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 Transaction ('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

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

15. Details of Subsidiaries, Joint Ventures and Associate Companies

As on 31st March 2025, the Company had the following subsidiaries/Associate:

Sl. No.	Name of the Subsidiary/ Associate/Joint Venture	Relationship
1	Cognition Digital LLP	Wholly-Owned Subsidiary
2	Ethos Lifestyle Private Limited	Wholly-Owned Subsidiary
3	Pasadena Retail Private Limited	Joint Venture
4	Silvercity Brands AG	Associate

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 ₹ 5.10 Cr and its net profit stood at ₹ 0.89 Cr.

Ethos Lifestyle Private Limited previously known as RF Brands Private Limited ('Ethos Lifestyle') – Ethos Lifestyle is a wholly owned subsidiary company and is engaged in the business of luxury lifestyle products, other than watches. During the year under review, it has reported revenue from operations amounting to Nil and its net loss stood at ₹ 0.11 Cr.

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 ₹ 13.10 Cr. and its net profit stood at ₹ 0.14 Cr.

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 ₹ 12.28 Cr. and its net loss stood at ₹ 3.96 Cr.

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.

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-2** 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

16. 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-3** and is forming part of this report.

		(₹ in Cr)
Deposits existing as on April 1, 2024	:	6.27
Deposits accepted during the year (from April 1, 2024 to March 31, 2025)	:	NIL
Deposits renewed during the year (from April 1, 2024 to March 31, 2025)	:	NIL
Deposits paid/pre-matured during the year (from April 1, 2024 to March 31, 2025)	:	4.49
Deposits outstanding at the end of year i.e. at March 31, 2025[2]	:	1.78
Deposits that have matured but not claimed as at the end of the year i.e. at March 31, 2025	:	NIL
Deposits that have matured and claimed but not paid as at the end of the year i.e. at March 31, 2025		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

18. Corporate Social Responsibility (CSR)

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 Annual Report on CSR activities required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure-4** 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.

19. 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.

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, 2024	:	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, 2025	:	Nil

[2]The above details of deposits exclude deposits from Directors

20. 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-Harrasment-at-Workplace.pdf.

21. 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, 2025 is available on the website of the Company at https://www.ethoswatches.com/investors-information/financial.

22. Secretarial Standards

The Directors confirm that they have fully complied with the applicable Secretarial Standards i.e. SS 1 (Meetings of the Board of Directors) and SS 2 (General Meetings)—issued by the Institute of Company Secretaries of India.

23. Details in Respect of Frauds Reported by Auditors Under Sub-Section (12) of Section 143 other than those which are Reportable to the Central Government

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force) other than those which are reportable to the Central Government.

24. 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 as per **Annexure-5**, which includes details review of operations, performance and future outlook of the Company, is annexed hereto and forming part of this report.

25. Corporate Governance

The Corporate Governance Report of the Company for the year under review, is attached as **Annexure-1** forming an integral part of this report.

Certificate from CS Jaspreet Singh Dhawan, a Practicing 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.

26. 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-6** forming part of this report.

27. Directors and Key Managerial Personnel

(a) Directors:-

As on March 31, 2025, the Board of Directors of the Company comprises 10 Directors, consisting of a balanced mix of Executive and Non-Executive members. This includes 4 Executive Directors, 1 Non-Executive Non-Independent Director, and 5 Independent Directors, including 1 Woman Independent Director.

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

Mr. Yogen Khosla (DIN – 00203165), resigned as an Independent Director of the Company with effect from March 6, 2025.

Mr. Manoj Subramanian (DIN – 10458966), resigned as Executive Director of the Company with effect from March 31, 2025.

Mr. Mukul Krishan Khanna (DIN – 10939041) who was appointed as an Additional Director of the Company at the Board meeting held on February 14, 2025, 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, 2025, along with the payment of remuneration, by way of a Special Resolution passed by the members of the Company through Postal Ballot on May 2, 2025

In accordance with the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mukul Krishan Khanna retires by rotation at the ensuing Annual General Meeting and has offered himself for reappointment. Members' attention is drawn to Item No. 2 of the Notice for the re-appointment of Mukul Krishan Khanna as a Director of the Company,

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Board reviewed and assessed the veracity of the aforesaid declarations, as required under Regulation 25(9) of 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 18th (Eighteenth) Annual General Meeting (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 and expertise and hold high standards of integrity. None of the Directors of the Company are related to each other within the meaning of the term "relative" as defined under Section 2(77) of the Companies Act, 2013, except Mr. Yashovardhan Saboo and Mr. Pranav Shankar Saboo, who are father and son.

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. Anil Kumar, Company Secretary and Compliance Officer of the Company had tendered his resignation vide an email dated December 16, 2024. He was relieved from his duties with effect from January 31, 2025.

Based on the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board approved the appointment of Mr. Shubham Kandhway as the Company Secretary and Compliance Officer of the Company with effect from February 14, 2025.

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.

28. 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:—

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) 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;

c) 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;

d) the directors had prepared the annual accounts on a going concern basis; and

e) 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.

f) 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.

29. 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.

30. Independent Directors

A separate meeting of the Independent Directors was convened, which reviewed the performance of the Board (as a whole), the Non- Independent Directors and the Chairman. The Independent Directors inter alia discuss the issues arising out of Committee meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

31. 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_without_track_change_mode.pdf.

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

32. 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-7** 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 Head 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.

33. Employee Stock Option Plan

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

34. Auditors and Auditor's report

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm registration no. 001076N/N500013) have been appointed as Auditors for a term of five years, from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting.

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.

b. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vishal Arora, Practicing Company Secretary (FCS no. 4566 and CP no. 3645), to undertake the Secretarial Audit of the Company for Financial Year 2024-25. The Report of the Secretarial Audit is annexed herewith as **Annexure-8**.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse or disclaimer remarks.

c. Cost Audit

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

35. Appointment of Secretarial Auditor

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at its meeting held on August 14, 2025 have approved the appointment of Mr. Vishal Arora, Practicing Company Secretary (FCS no. 4566 and CP no. 3645), a Peer reviewed registration No. 1219/2021, as the Secretarial Auditor of the Company for a term of five (5) consecutive years, commencing from Financial Year 2025-26 till Financial Year 2029-2030 subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

A brief profile and other relevant details of Mr. Vishal Arora, Practicing Company Secretary are provided in the Notice convening the ensuing AGM.

Mr. Vishal Arora, Practicing Company Secretary has consented to act as the Secretarial Auditor of the Company and confirmed that the appointment, if approved, would be within the limits prescribed under the Companies Act, 2013 and SEBI LODR. He has further confirmed that they are not disqualified to be appointed as the Secretarial Auditor under the applicable provisions of the Act, rules made thereunder, and SEBI LODR.

36. 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 2024-25.

37. 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 18th (Eighteenth) AGM and the Annual Report of the Company for the year 2024-25, only be 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.

38. 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 14, 2025
Place : Gurugram

Annexure - 1

Report on Corporate Governance

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

This Report on Corporate Governance has been prepared in accordance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time. The Company confirms compliance with all applicable requirements under the SEBI LODR and subsequent amendments thereto.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Ethos Limited, India's largest chain of luxury watch boutiques with 73 stores across 26 cities, is synonymous with trust, authenticity, and excellence. The Company takes pride in guiding its customers to select the finest timepieces while ensuring compliance with all applicable laws and maintaining the highest standards of business ethics.

At Ethos, Corporate Governance is not merely a regulatory obligation but a cornerstone of its management philosophy. The Company is committed to maximizing stakeholder value through the adoption of global best practices, compliance with applicable laws in both letter and spirit, and unwavering adherence to ethical standards. This philosophy underpins our approach to sustainable growth and long-term value creation for all stakeholders.

The governance framework at Ethos is built on the foundation of a robust and independent Board of Directors, ensuring clear demarcation between the supervisory role of the Board and the executive responsibilities of the management. The Board is supported by well-structured committees, constituted in line with applicable laws and regulations, which oversee critical aspects of operations and ensure effective oversight.

Strong governance practices at Ethos promote transparent decision-making, foster accountability, and enable seamless succession planning for senior leadership, thereby reinforcing organizational resilience and effectiveness. The Company recognizes its shareholders as the true owners and regards its role as a trustee in safeguarding and enhancing their interests.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Companies Act, 2013, and other applicable regulations, Ethos has implemented and continues to strengthen a governance structure that emphasizes transparency, equity, and fairness in all its dealings.

The management provides the Board with timely, comprehensive updates to facilitate informed decision-making and ensure strategic alignment with stakeholder expectations. The Company firmly believes that robust Corporate Governance is essential for maintaining investor confidence, fostering sustainable business practices, and supporting vibrant capital markets.

2. BOARD OF DIRECTORS

Ethos recognizes the critical role of a diverse and experienced Board in driving sustainable growth and ensuring effective governance. The Board provides strategic direction, oversees performance, and upholds the highest standards of accountability and transparency.

Ethos is promoted by KDDL Limited. As on March 31, 2025, the Company's Board comprised 10 Directors, including 6[1] Non-Executive Directors and 4[2] Executive Director. The detailed profiles of the Directors are available on the Company's website at https://www.ethoswatches.com/investors-information/corporate.

The composition of the Board of Directors as at March 31, 2025, is set out below:

Executive Directors

1. Mr. Yashovardhan Saboo
2. Mr. Pranav Shankar Saboo
3. Mr. Mukul Krishan Khanna [3]
4. Mr. Manoj Subramanian [4]

Non Executive – Non Independent

1. Mr. Chitranjan Agarwal [5]

Non Executive – Independent

1. Mr. Anil Khanna
2. Mr. Dilpreet Singh
3. Mr. Sundeep Kumar
4. Mrs. Munisha Gandhi
5. Mr. Charu Sharma

[1] Mr. Yogen Khosla, Non Executive - Independent Director ceased to be Director w.e.f. March 6, 2025, hence not considered in the Composition as on March 31, 2025

[2] Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[3] Mr. Mukul Krishan Khanna was appointed as an Additional Director w.e.f. February 14, 2025 and as a Whole Time Director w.e.f. April 1, 2025

[4] Mr. Manoj Subramanium ceased to be Director w.e.f. March 31, 2025.

[5] Mr. Chitranjan Agarwal, Non Executive – Non Independent Director, ceased to be a Director w.e.f. April 15, 2025.

During the year under review, the Board of the Company had an Executive Chairman, with Independent Directors constituting 50% of its strength, including one woman Independent Director. The composition of the Board is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), read with Section 149 of the Companies Act, 2013 ("the Act").

The Company maintains a strictly professional relationship with its Non-Executive Directors. Apart from payment of sitting fees, there were no pecuniary relationships or transactions between the Company and any Non-Executive Director. The Company also reimburses out-of-pocket expenses, if any, incurred by the Directors in attending Board and Committee meetings.

As of the date of this Report:

- None of the Directors serve as a Director or Independent Director in more than seven listed entities.
- The Managing Director does not hold any Independent Directorships in listed companies.
- None of the Independent Directors serve as a Non-Independent Director of a company where any of the Company's Non-Independent Directors serve as an Independent Director.
- No Director acted as a member in more than ten committees or as Chairperson in more than five committees (being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of SEBI (LODR) across all listed entities where they serve as a Director.

During the Financial Year 2024–25, the Board of Directors met seven times on May 13, August 14, August 23, November 8, December 10, 2024, February 14, and March 23, 2025. The meetings were conducted with proper notice and quorum, and all necessary information, as stipulated under SEBI LODR, was placed before the Board.

To ensure robust oversight, the Board regularly reviews compliance declarations made by the Managing Director on a quarterly basis. These declarations, based on confirmations from various business units and functional heads, affirm compliance with all applicable laws and reinforce the Company's culture of accountability and ethical governance.

The details of attendance of each Director at Board meetings held during the year, at the last Annual General Meeting, and their Directorships and Committee memberships in domestic public companies as of March 31, 2025, are provided below:

Name of the Director	No. of Board Meetings attended during the Financial Year 2024-25	Whether attended last Annual General Meeting held on September 27, 2024	No. of Directorships in domestic public companies (including this Company)		No. of Committee positions in domestic public companies (including this Company)[6]	
			As Chairman	As Director	As Chairman	As Member
Mr. Yashovardhan Saboo	7/7	Yes	2	2	0	3
Mr. Anil Khanna	7/7	Yes	0	1	2	0
Mr. Dilpreet Singh	7/7	Yes	0	1	0	0
Mr. Chitranjan Agarwal[7]	7/7	No	0	1	0	1
Mr. Sundeep Kumar	7/7	Yes	0	1	0	1
Mrs. Munisha Gandhi	6/7	No	0	1	0	1
Mr. Charu Sharma	5/7	Yes	0	1	0	0
Mr. Pranav Shankar Saboo	6/7	Yes	0	1	0	1
Mr. Mukul Krishan Khanna	1/1	NA	0	1	0	0
Mr. Manoj Subramanian[8]	6/7	Yes	0	1	0	0
Mr. Yogen Khosla [9]	4/6	No	1	0[10]	0	2

During the year under review, Mr. Yogen Khosla resigned as an Independent Director of the Company with effect from March 6, 2025. Further, Mr. Manoj Subramanian stepped down as Whole-time Director with the functional designation of Executive Director and Key Managerial Personnel (KMP) with effect from the close of business hours on March 31, 2025. Additionally, Mr. Mukul Krishan Khanna was appointed as an Additional Director on February 14, 2025, and his appointment as Whole-time Director and Chief Operating Officer (KMP) of the Company, effective April 1, 2025, was subsequently approved by the members.

[6] excludes Committees other than Audit and Stakeholders Relationship Committee as prescribed in regulation 26(1) of SEBI LODR.

[7] Mr. Chitranjan Agarwal ceased to be a Director w.e.f. April 15, 2025.

[8] Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[9] Mr. Yogen Khosla, Non Executive - Independent Director ceased to be Director w.e.f. March 6, 2025

[10] Mr. Yogen Khosla, Non Executive - Independent Director ceased to be Director w.e.f. March 6, 2025

The names of other listed entities where the Directors of the Company hold directorships and the category of such directorships as on 31st March, 2025 are provided below:

S. N.	Name of the Director	Name of Indian listed entities where the person is a director	Category of directorship
1	Mr. Yashovardhan Saboo	KDDL Limited	Chairman & Managing Director (Executive)
2	Mr. Anil Khanna [11]	-	-
3	Mr. Dilpreet Singh	-	-
4	Mr. Chitranjan Agarwal	-	-
5	Mr. Sundeep Kumar	-	-
6	Mrs. Munisha Gandhi	-	-
7	Mr. Charu Sharma	-	-
8	Mr. Pranav Shankar Saboo	-	-
9	Mr. Mukul Krishan Khanna	-	-
10	Mr. Manoj Subramanian [12]	-	-
11	Mr. Yogen Khosla [13]	Capital Trust Limited	Chairman & Managing Director (Executive)

None of the Directors are related to each other within the meaning of the term "Relative" as defined under Section 2(77) of the Companies Act, 2013 ("the Act"), except for Mr. Yashovardhan Saboo and Mr. Pranav Shankar Saboo, who are father and son.

The Board confirms that all Independent Directors meet the criteria of independence as specified under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), and are independent of the management as of March 31, 2025.

Pursuant to Regulation 25(8) of the SEBI LODR, all Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or are reasonably anticipated that could impair their ability to discharge their duties independently. Additionally, the Company has received declarations from all Independent Directors confirming compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, regarding their enrolment in the Independent Directors' Data Bank maintained by the Indian Institute of Corporate Affairs.

Number of shares and convertible instruments held by Directors and KMPs:

Details of shares of the Company held by Directors and KMPs as on 31st March, 2025 are as below:

Name of the Director or Key Managerial Personnel[14]	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. Dilpreet Singh	Independent Director	670	Nil
Mr. Chitranjan Agarwal	Non-Executive and Non-Independent Director	Nil	Nil
Mr. Sundeep Kumar	Independent Director	Nil	Nil
Mr. Munisha Gandhi	Independent (Woman) Director	Nil	Nil
Mr. Charu Sharma	Independent Director	Nil	Nil
Mr. Pranav Shankar Saboo	Managing Director and Chief Executive Officer (KMP)	Nil	Nil
Mr. Manoj Subramanian[15]	Whole Time Director (KMP)	Nil	Nil
Mr. Mukul Krishan Khanna	Director and Chief Operating Officer (KMP)	49	Nil
Mr. Munish Gupta	Chief Financial Officer (KMP)	300	Nil
Mr. Shubham Kandhway	Company Secretary and Compliance Officer (KMP)	Nil	Nil

Familiarisation Programme

The Company has a structured familiarisation programme in place for its Directors, including Independent Directors. This programme comprises sessions on the Company's business operations, functional areas, strategies, and key developments, ensuring that the Directors are well-equipped to make informed decisions, provide effective oversight, and contribute meaningfully to the Company's growth and governance.

[11]Mr. Anil Khanna ceased to be Independent Director of KDDL Limited (Parent) w.e.f 06.08.2024

[12]Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[13]Mr. Yogen Khosla, Non Executive - Independent Director ceased to be Director w.e.f. March 6, 2025

[14]Mr. Anil Kumar ceased to be the Company Secretary and Compliance Officer (KMP) of the Company with effect from January 31, 2025. He was holding 22 shares of the Company as on 31st March 2025.

[15]Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

For newly appointed Directors, tailored induction and training sessions are conducted to help them integrate seamlessly into the Company's governance framework and operational environment.

Details of the familiarisation and training programmes attended by the Directors during the year are available on the Company's website at https://www.ethoswatches.com/investors-information/download/policies/FAMILIARIZATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf.

Skills/Expertise/Competence identified by the Board of Directors:

The Board of Directors has identified a set of core skills, expertise, and competencies that are considered essential in the context of the Company's business and strategic direction. These skills ensure that the Board collectively possesses the knowledge and experience necessary to effectively guide and oversee the Company's operations.

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. Dilpreet Singh	✓	✓	-	✓	✓	✓	✓
Mr. Chitranjan Agarwal	✓	✓	✓	✓	✓	✓	-
Mr. Sundeep Kumar	✓	✓	✓	✓	-	✓	✓
Mrs. Munisha Gandhi	✓	-	✓	✓	-	✓	-
Mr. Charu Sharma	✓	✓	✓	✓	-	✓	✓
Mr. Pranav Shankar Saboo	✓	✓	✓	✓	✓	✓	✓
Mr. Mukul Krishan Khanna	✓	✓	✓	✓	✓	✓	✓
Mr. Manoj Subramanian[16]	✓	✓	✓	-	✓	✓	✓
Mr. Yogen Khosla [17]	✓	✓	✓	✓	✓	✓	✓

Board Evaluation

The Company follows a structured assessment process to evaluate the performance of the Board, its Committees, and individual Directors. The evaluation for the year was conducted by the Board in consultation with the Nomination and Remuneration Committee (NRC), in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The evaluation process covered various parameters, including the structure and composition of the Board, fulfilment of key responsibilities, effectiveness of Board processes and information flow, functioning of Committees, Board dynamics and culture, quality of relationship between the Board and management, and the contribution of individual Directors both during and outside Board/Committee meetings.

The Board deliberated on the findings and recommendations arising from the evaluation and recorded individual feedback from Directors. The evaluation noted the professionalism and efficiency of the Board Committees in addressing key matters. It also highlighted the cohesive Board culture, characterised by mutual trust, openness, transparency, and encouragement of diverse perspectives.

Additionally, the Independent Directors held separate meetings to discuss Company affairs and shared their collective insights with the Board. Overall, the outcome of the Board evaluation was positive, reaffirming the Board's effectiveness in discharging its duties and responsibilities.

Separate Meeting of Independent Directors

In accordance with Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), a separate meeting of the Independent Directors was held on February 14, 2025 without the presence of Executive Directors and members of the management.

During the meeting, the Independent Directors reviewed and assessed the overall performance of the Board, its Committees, and the Chairperson, as well as the quality, quantity, and timeliness of information flow between the management and the Board. They expressed their satisfaction with the governance standards maintained by the Board, the constructive engagement in discussions, and the strategic oversight demonstrated across all functions. The meeting also reflected positively on the consistent improvement observed in Board effectiveness, as highlighted in the annual Board Evaluation exercise.

Following the meeting, the Chairman of the Nomination and Remuneration Committee (NRC) shared the collective feedback of the Independent Directors with the Board. This included observations on the performance of the Non-Independent Directors, the leadership of the Chairman, and the functioning of the Board as a whole. The feedback was communicated with a view to reinforcing strengths and implementing suitable measures for continuous improvement in governance practices.

[16]Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[17]Mr. Yogen Khosla, Non Executive - Independent Director ceased to be Director w.e.f. March 6, 2025

Insider Trading Code

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time, the Board of Directors has adopted the Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("the Code"). The Code includes a comprehensive framework for regulating, monitoring, and reporting trading by insiders, as well as practices for fair disclosure of unpublished price sensitive information (UPSI).

The Code applies to all Directors, Promoters, identified Designated Persons, their Immediate Relatives, and other Connected Persons who are reasonably expected to have access to UPSI relating to the Company.

The Company Secretary & Compliance Officer has been designated as the Compliance Officer for the purpose of overseeing adherence to the Code and ensuring compliance with the PIT Regulations.

3. AUDIT COMMITTEE

The Audit Committee of the Board was constituted in 2008. The constitution of Audit Committee complies with the requirements of Section 177 of the Act as well as Regulation 18 of the SEBI LODR.

Powers of Audit Committee

The Audit Committee shall have powers, which include 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.

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee is in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the SEBI LODR which inter alia includes:

- 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, intercorporate 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, and 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.

Mr. Anil Khanna, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on September 27, 2024.

As of March 31, 2025, the Audit Committee comprised four members, three of whom are Independent Directors. All members are financially literate and possess significant experience in finance, audit, and related fields. Notably, Mr. Anil Khanna brings expertise in accounting and financial management to the Committee.

During the Financial Year 2024–25, the Audit Committee met seven times on May 13, August 14, August 23, November 8 and December 10, 2024, and on February 14 and March 13, 2025. The meetings were held with the requisite quorum as stipulated under Regulation 18(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

Changes in Committee Composition during the year:

- Mr. Sundeep Kumar was inducted as a member of the Audit Committee effective March 23, 2025.

The composition of the Audit Committee and attendance of its members at the meetings during the year are provided below:

Name	Category	Attendance
Mr. Anil Khanna (Chairman)	Non-Executive Independent Director	7/7
Mr. Chitranjan Agarwal	Non-Executive Non-Independent Director	7/7
Mrs. Munisha Gandhi	Non-Executive Independent Director	7/7
Mr. Sundeep Kumar	Non-Executive Independent Director	NA

The Chairman & Managing Director, the Managing Director & Chief Executive Officer, Whole Time Director & Chief Operating Officer, the Chief Financial Officer, the Head of Merchandising, the National Sales Head the Internal Auditor(s) attended the meetings of the Audit Committee. Representatives of the Statutory Auditors, Walker Chandiok & Co. LLP, were also invited to participate in the meetings. The Company Secretary acts as the Secretary to the Audit Committee.

4. NOMINATION & REMUNERATION COMMITTEE

The constitution of the NRC is in conformity with the requirements of Section 178 of the Act and Regulation 19 of the SEBI LODR. The broad terms of reference of the NRC inter-alia include:

- 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, and 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 agencies, 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.

The NRC also recommends the total remuneration payable to Directors and the criteria for payment amongst the Directors. The Remuneration Policy is available on Company's website https://www.ethoswatches.com/investorsinformation/download/policies/NRC_policy_without_track_change_mode.pdf.

The Committee met twice during the Financial Year 2024-25. Meetings were held on August 14, 2024 and February 14, 2025.

The following Directors are the members of the NRC and their attendance in the meetings held during the Financial Year 2024-25:

Name	Category	Attendance
Mr. Dilpreet Singh (Chairman)	Non-Executive - Independent Director	2/2
Mr. Anil Khanna	Non-Executive - Independent Director	2/2
Mr. Chitranjan Agarwal	Non-Executive - Non-Independent Director	2/2
Mr. Sundeep Kumar	Non-Executive - Independent Director	2/2

Mr. Dilpreet Singh, Chairman of the Committee, was present at the Annual General Meeting of the Company held on September 27, 2024.

5. REMUNERATION OF THE DIRECTORS

Executive Directors

During the year, the Company paid remuneration to its Executive Directors comprising salary, perquisites, and variable pay, within the limits approved by the Shareholders.

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee (NRC), approves the annual increment effective from April each year. The variable pay is determined by the Board in the succeeding financial year, taking into account the performance matrix and the overall performance of the Company and the Executive Directors during the financial year, and is subject to the overall ceiling approved by the Members.

The details of remuneration paid to the Executive Directors for the Financial Year 2024-25 are as follows:

(₹ in lakh)

	Mr. Yashovardhan Saboo	Mr. Pranav Shankar Saboo	Mr. Manoj Subramanium[18]	Mr. Mukul Krishan Khanna[19]
Salary	2,12,08,800	5,49,84,000	87,70,200	NA
Perquisite and Allowances	-	20,00,000	15,000	NA
Variable Pay[20]	38,60,000	1,07,53,333	16,51,500	NA
Profit Sharing	-	-	25,00,000	
Long Term Incentives[21]	-	-	-	NA
Notice Period	3 Months	3 Months	3 Months	3 Months
Severance Fee	Nil	Nil	Nil	Nil

The perquisites indicated above exclude gratuity as these are determined on an actuarial basis for the Company as a whole. Variable pay is the only components of remuneration, which is performance-linked and the other components are fixed.

Non-Executive Directors

The remuneration paid to Non-Executive Directors for the Financial Year 2024-25 has been computed in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013.

During the year, the Company paid sitting fees to the Non-Executive Directors as detailed below:

(₹ in lakh)

Name	Sitting Fees
Mr. Anil Khanna	7.24
Mr. Dilpreet Singh	3.20
Mr. Chitranjan Agarwal	5.22
Mr. Sundeep Kumar	3.20
Mrs. Munisha Gandhi	4.80
Mr. Charu Sharma	1.85
Mr. Yogen Khosla	1.30

The Executive Directors, in line with the terms of their appointment, are not eligible to receive sitting fees. The Company does not pay any salary, benefits, bonuses, stock options, or other forms of remuneration to its Non-Executive Directors.

[18]Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[19]Mr. Mukul Krishan Khanna was appointed Whole-Time director with the functional designation of Executive Director w.e.f. April 1, 2025

[20]For the financial year 2024–25, based on the recommendations of the Nomination and Remuneration Committee (NRC) and as approved by the Board, variable pay was paid within the limits approved by the members at the time of appointment/re-appointment. The said remuneration was disbursed during FY 2025–26.

[21]For the financial year 2024–25, based on the recommendations of the Nomination and Remuneration Committee (NRC) and as approved by the Board, long term incentives was paid within the limits approved by the members at the time of appointment/re-appointment. The said remuneration was disbursed during FY 2025–26.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to Section 178(5) of the Companies Act, 2013, any company having more than one thousand shareholders, debenture holders, deposit holders, and other security holders at any time during a financial year is required to constitute a Stakeholders Relationship Committee.

Accordingly, the Company has constituted a Stakeholders Relationship Committee ("the Committee" or "SRC") in compliance with the provisions of Section 178(5) of the Act and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

Terms of Reference of the Committee:

- 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 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.

The Committee met once during the Financial Year 2024-25 on February 14, 2025.

The following Directors are the members of the Committee and their attendance in the meetings held during the Financial Year 2024-25:

Name	Category	Attendance
Mr. Anil Khanna (Chairman)	Non-Executive - Independent Director	1/1
Mr. Yashovardhan Saboo	Chairman & Managing Director	1/1
Mr. Pranav Shankar Saboo	Managing Director & Chief Executive Officer	1/1

Mr. Anil Khanna, Chairman of the Committee was present at the Annual General Meeting of the Company held on September 27, 2024.

Mr. Shubham Kandhway, Company Secretary is the Compliance Officer under SEBI LODR.

Number of complaints from shareholders during the year ended 31st March 2025

The status of Investor Complaints as on March 31 as reported under Regulation 13(3) of the SEBI LODR is as under:

Complaints outstanding as on 1st April 2024	Nil
Complaints received during the year ended 31st March 2025	Nil
Complaints resolved during the year ended 31st March 2025	Nil
Complaints not solved to the satisfaction of shareholders during the year ended 31st March 2025	Nil
Complaints pending as on 31st March 2025	Nil

The Company has designated an e-mail id viz. investors.communications@ethoswatches.com for redressal of shareholders' /investors' complaints / grievances.

7. RISK MANAGEMENT COMMITTEE

The Board of Directors has constituted a Risk Management Committee ("the Committee" or "RMC") to identify elements of risk across various areas of operations and to develop a framework and policies for actions required to mitigate such risks effectively.

The terms of reference of the RMC are aligned with the regulatory requirements prescribed under Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). These include, inter alia:

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.

The Committee met twice during the Financial Year 2024-25 on August 23,2024 and November 8, 2024.

The following Directors are the members of the Committee and their attendance in the meetings held during the Financial Year 2024-25:

Name	Category	Attendance
Mr. Sundeep Kumar (Chairman)	Non-Executive - Independent Director	2/2
Mr. Yashovardhan Saboo	Chairman & Managing Director	2/2
Mr. Pranav Shankar Saboo	Managing Director & Chief Executive Officer	2/2

Mr. Sundeep Kumar, Chairman of the Committee was present at the Annual General Meeting of the Company held on September 27, 2024.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") was constituted in 2019 and discharges its roles and responsibilities as prescribed under Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The terms of reference of the CSR Committee include, inter alia to:

- 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.

The Committee met once during the Financial Year 2024-25 on May 13, 2024.

The following Directors are the members of the Committee and their attendance in the meetings held during the Financial Year 2024-25:

Name	Category	Attendance
Mr. Yashovardhan Saboo (Chairman)	Chairman & Managing Director	1/1
Mrs. Munisha Gandhi	Non Executive - Independent Director	1/1
Mr. Pranav Shankar Saboo	Managing Director & Chief Executive Officer	1/1
Mr. Manoj Subramanium	Whole Time Director	1/1

9. FUND RAISING COMMITTEE (QIP)[22]

The Fund Raising Committee ("the Committee") was constituted by the Board on September 29, 2023, comprising two Directors, to oversee and facilitate fund-raising activities of the Company by way of Qualified Institutional Process (QIP). The Committee's mandate included appointment and ratification of intermediaries and agencies involved in the transaction; negotiation, finalization, and execution of agreements and documents; determination of key terms of the issue such as size, pricing, and allotment; approval of statutory filings, listing applications, and related compliances under applicable SEBI regulations; and undertaking all necessary acts, deeds, and expenditures to ensure successful completion of the fund-raising process.

The Committee was dissolved by the Board at its meeting held on July 4, 2025, upon completion of its mandate.

10. FUND-RAISING COMMITTEE[23]

The Fund Raising Committee ("the Committee") was constituted by the Board on April 14, 2025, comprising three Directors and one Key Managerial Personnel of the Company. The composition and terms of reference of the Committee are in compliance with the provisions of the Companies Act, 2013.

The Committee's mandate includes evaluating and recommending to the Board various permissible modes of fund-raising, taking into account prevailing market conditions and other relevant factors in consultation with appointed advisors; undertaking preliminary steps and all necessary actions for the proposed fund-raising exercise; making requisite filings and submissions with statutory or regulatory authorities; and negotiating, finalizing, and executing all documents and agreements incidental or ancillary to the fund-raising process.

11. PARTICULARS OF SENIOR MANAGEMENT PERSONNEL

The particulars of the Senior Management Personnel of the Company, as defined under Regulation 16(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), for the Financial Year 2024-25 are as follows:

S. No.	Name	Designation
1	Mr. Munish Gupta	Chief Financial Officer
2	Mrs. Juhi Chaturvedi	Head- Merchandising
3	Mr. Rajesh Pandey	National Sales Head
4	Mr. Saurabh Vineet Srivastava	Head- Human Resource
5	Mr. Shubham Kandhway	Company Secretary & Compliance Officer

12. GENERAL BODY MEETINGS

Particulars of the past three Annual General Meetings

a) Location, date and time of AGMs held during the last 3 years:

Year	Date and Tine	Venue	Special Resolutions
2023-24	September 27, 2024 10.30 AM (IST)	Video Conference/Other Audio Visual Means	Nil
2022-23	September 29, 2023 10.00 AM (IST)	Video Conference/Other Audio Visual Means	a. Re-appointment of Mr. Dilpreet Singh, as an Independent Director b. Issuance of securities for an aggregate consideration not exceeding ₹ 250 crores
2021-22	September 27, 2022 10.00 AM (IST)	Video Conference/Other Audio Visual Means	a. Re-appointment of Mr. Anil Khanna (DIN – 00012232) as an Independent Director b. Re-appointment of Mr. Sundeep Kumar as an Independent Director

b) Extra Ordinary General Meeting:

No Extraordinary General Meeting of the Shareholders was held during the Financial Year 2024-25.

c) Postal Ballot

No Postal Ballot was conducted during the Financial Year 2024-25[25] .

[22] The Committee was dissolved by the Board at its meeting held on July 4, 2025.

[23] The Committee pertains to Rights Issue undertaken by the Company in June-July 2025.

[24] Mr. Manoj Subramanian, Whole Time Director ceased to be Director from the closing hours of March 31, 2025.

[25] The Company conducted the postal ballot to seek approval of the Members on Appointment and Remuneration of Mr. Mukul Krishan Khanna as Whole Time Director with Functional designation of Executive Director in April- May 2025.

13. MEANS OF COMMUNICATION

a.	Quarterly Results;	The quarterly results were published in the Financial Express, Jansatta and Himachal Times. The audited financial results for the year ended March 31, 2025 were published in Financial Express, Jansatta and Himachal Times.
b.	Newspapers wherein Results normally published;	
c.	Website, where displayed;	The results are displayed on www.ethoswatches.com
d.	Whether it also displays official news releases; and	No
e.	Presentations made to institutional investors or to the analysts.	Presentations made during the year to institutional investors are displayed on www.ethoswatches.com
f.	Whether half-yearly reports are sent to each household of shareholder?	No
g.	Website for investor complaints	The Company has created an exclusive email ID – investor.communication@ethoswatches.com – to facilitate investor communication and redressal of grievances. **SEBI Complaints Redress System (SCORES):** Investor complaints are processed through a centralized web-based redressal system. The salient features of SCORES include a centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the respective companies, and real-time online access for investors to view the status and actions taken on their complaints.
h.	Annual Reports and Annual General Meetings	The Annual Report for the Financial Year 2024-25, including the audited financial statements for the year ended March 31, 2025, is being sent electronically to Members whose email addresses are registered with the Company or their Depository Participants, unless a Member has requested a physical copy by writing to investor.communication@ethoswatches.com with their Folio No./DP ID and Client ID. In compliance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a communication is being sent to shareholders whose email addresses are not registered, providing a web link to access the Integrated Annual Report for FY 2024-25. The Annual Report and Notice of the AGM are also available on the Company's website at www.ethoswatches.com

14. GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting Date, time and venue	Monday, September 15, 2025 at 11 AM (IST), (VC)/Other Audio Visual Means (OAVM).
b.	Financial year	April 1, 2024 to March 31, 2025
c.	Dividend payment date	NA
d.	Registered Office	Plot No. 3, Sector III, Parwanoo, Himachal Pradesh- 173220, India
e.	Listing of Equity Shares on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-01; and National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-51.
f.	Registrar and Share Transfer Agents;	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 Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M Murali Krishna SEBI Registration No.: INR000000221
g.	Company Secretary & Contact Address	Shubham Kandhway Company Secretary & Compliance Officer Email: investor.communication@ethoswatches.com Phone: +91 124 6932100
h.	Address for correspondence	Global Gateway Towers A, 1st Floor, MG Road, Sector-26, Gurugram- 122002

Share Transfer System

In accordance with Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended, requests for transfer, transmission, and transposition of securities shall be processed only in dematerialised form.

Further, pursuant to SEBI Circular dated January 25, 2022, listed companies are required to issue securities in dematerialised form for processing service requests from shareholders, including issuance of duplicate share certificates, endorsement, transmission, and transposition. Upon processing such requests, the Company issues a Letter of Confirmation to the shareholder, which remains valid for 120 days. Shareholders are required to submit a dematerialisation request to their Depository Participant within this period.

If a shareholder fails to dematerialise within 120 days, the Company shall transfer such shares to its Suspense Escrow Demat Account. Shareholders may subsequently claim these shares by submitting the requisite documentation to the Company.

Stock Information

Equity Shares	:	BSE Limited	:	543532
Equity Shares	:	National Stock Exchange of India Limited	:	ETHOSLTD
Equity Shares	:	NSDL / CDSL ISIN No.	:	INE04TZ01018

The Company has paid the Annual Listing Fee and Annual Custody Fee for the financial year 2025-26 to the Stock Exchanges and Depositories respectively.

Suspension from trading

No securities of the Company were suspended from trading during the financial year 2024-25.

Distribution of shareholding as on 31st March 31, 2025

S. No	Category (Shares)	No. of Holders	% To Holders	No.of Shares	% To Equity
1	1 - 5000	42791	99.74	2338955	9.55
2	5001 - 10000	35	0.08	240690	0.98
3	10001 - 20000	27	0.06	407043	1.66
4	20001 - 30000	11	0.03	267771	1.09
5	30001 - 40000	5	0.01	169750	0.69
6	40001 - 50000	4	0.01	182416	0.75
7	50001 - 100000	10	0.02	721623	2.95
8	100001 and above	20	0.05	20152195	82.32
	Total	**42903**	**100.00**	**24480443**	**100.00**

Categories of Shareholding as on 31st March 31, 2025

Category	No. of Shareholders	No. of shares	Percentage
Promoters and Promoter Group			
Individuals – Domestic	9	23,259	0.09
Individuals – Foreign	1	48,422	0.02
Body Corporate	7	1,23,10,684	50.29
Total (A)	**17**	**1,23,82,265**	**50.58**
Public Shareholding			
Institutional – Domestic- Mutual Funds	10	38,09,879	15.56
Institutional – Domestic- Alternate Investment Funds	3	3,44,181	1.41
Institutional – Domestic- Insurance Companies	2	2,14,533	0.88
Institutional – Foreign	67	30,74,684	12.55
Individuals	41,726	36,33,333	14.84
Body Corporate	364	9,58,327	3.91
Others	714	63,241	0.26
Total (B)	**42,886**	**1,20,98,178**	**49.42**
Grand Total (A+B)	**42,903**	**2,44,80,443**	**100.00**

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: None

Plant Location: None (as on March 31, 2025, the Company operates 73 stores in 26 cities across India)

Dematerialisation of shares and liquidity

As on March 31, 2025, 99.94% of the Company's equity share capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Trading in the Company's equity shares has been permitted only in dematerialised form in accordance with SEBI notifications. Further, effective April 1, 2019, SEBI amended Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), stipulating that requests for transfer, transmission, or transposition of securities shall be processed only if the securities are held in dematerialised form. Consequently, for any transfer of shares, it is mandatory for shareholders to hold their securities in demat form.

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)
Fund based limits – others	:	[ICRA] A+ (Stable)
Long term – Unallocated limits	:	[ICRA] A+ (Stable)

15. DISCLOSURES

a. Related Party Disclosure:

During the year under review, other than the transactions disclosed in Note 38 of the financial statements for the year ended March 31, 2025, there were no material related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel, their relatives, subsidiaries, associate company, or joint venture.

All related party transactions were in the ordinary course of business and conducted on an arm's length basis, thereby posing no potential conflict with the interests of the Company. These transactions were reviewed and approved by the Audit Committee and, where necessary, placed before the Board for its information.

Further, there were no material individual transactions that fell outside the ordinary course of business or were not on an arm's length basis during the year.

b. Disclosure on Materially Significant Related Party Transactions:

There were no materially significant related party transactions during the year under review that had a potential conflict with the interests of the Company. All transactions with related parties during the financial year were in the ordinary course of business and conducted on an arm's length basis. These transactions were duly reviewed and approved by the Audit Committee and, wherever applicable, by the shareholders in compliance with regulatory requirements.

Further, certain repetitive transactions were approved by the Audit Committee through the omnibus approval route, in line with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. Disclosure on Website

The Company's Policy on Related Party Transactions is available on its website and can be accessed at: https://www.ethoswatches.com/investorsinformation/download/policies/POLICY_ON_MATERIALITY_OF_RELATED_PARTY_TRANSACTIONS.pdf.

d. Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, read with Section 133 of the Companies Act, 2013.

e. Disclosure by Senior Management

The Senior Management has submitted declarations to the Board affirming that during the year under review, there were no material financial or commercial transactions in which they had a personal interest that could have resulted in a potential conflict with the interests of the Company at large.

f. CEO/CFO Certification

In compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director (MD) and Chief Financial Officer (CFO) have provided the requisite certification to the Board for the financial year ended March 31, 2025. The said certification forms part of this Report.

g. Compliance with Mandatory and Discretionary Requirements

The Company has complied with all mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The status of compliance with the discretionary requirements, as specified under Part E of Schedule II to SEBI LODR, is as follows:

- Shareholder Rights: The Company publishes its quarterly financial results in leading national newspapers and uploads them on its website to

ensure easy and timely access for shareholders and other stakeholders.

- Audit Qualifications: The Statutory Auditors have issued unmodified opinions on the standalone and consolidated financial statements for the year under review.

- Reporting of Internal Auditor: The Internal Auditor functionally reports directly to the Audit Committee.

h. Details of Non-Compliance: There have been no instances of non-compliance with the rules and regulations prescribed by the Stock Exchanges, SEBI, or any other statutory authority relating to capital markets during the last three financial years. Further, no penalties or strictures were imposed on the Company by any Stock Exchange, SEBI, or other statutory authority on any matter pertaining to capital markets during this period..

i. Whistle Blower Policy

The Company has in place a robust Whistle Blower Mechanism and policy Ethos Limited – Vigil Mechanism/ Whistle Blower Policy governing the same. This mechanism enables Directors, employees, and associates to make protective disclosures about unethical behaviour, actual or suspected fraud, violation of the Company's Code of Conduct, or suspected leakage of unpublished price sensitive information.

The policy ensures confidentiality and provides direct access to the Chairman of the Audit Committee for raising concerns. It stipulates defined timelines for addressing reported disclosures and assures protection to whistle-blowers from any form of retaliation. No individual has been denied access to the Chairman of the Audit Committee during the year. The Whistle Blower Policy is widely disseminated within the organisation and is also available on the Company's website at https://www.ethoswatches.com/investorsinformation/download/policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf.

j. Subsidiary Companies

The Audit Committee reviews the consolidated financial statements of the Company. The minutes of the board meetings and details of significant transactions of the unlisted subsidiaries are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The Policy for determining material subsidiaries is available on the Company's website and can be accessed at: https://www.ethoswatches.com/investorsinformation/download/policies/POLICY_ON_DETERMINING_MATERIAL_SUBSIDIARIES.pdf

k. Reconciliation of Share Capital Audit

A qualified Company Secretary in Practice conducts the Reconciliation of Share Capital Audit to verify that the total issued and listed share capital of the Company is in agreement with the aggregate of shares held in physical form and in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The audit confirms the accuracy and consistency of the Company's paid-up capital records.

l. Compliance with Non-Mandatory Requirements

Details regarding the Company's compliance with discretionary requirements are provided under Item No. 14 of this Report.

m. Risk Management

The Risk Management framework of the Company is overseen by the Risk Management Committee (RMC) and the Board of Directors at multiple levels.

The RMC and the Board actively engage in the risk management process and have established a structured review mechanism to monitor and report the progress of key risk mitigation initiatives across the Company's various business segments.

Risk Registers for each business are updated periodically and presented for discussion at Board meetings. This enables a thorough assessment of the relevance of identified risks and the effectiveness of mitigation measures, ensuring that the Company's risk management strategies remain robust and adaptive to evolving business environments.

n. Disclosure on Commodity Price Risks

The disclosures relating to commodity price risks and hedging activities, as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/141 dated November 15, 2018, are not applicable to the Company.

o. Loans and Advances in the Nature of Loans

There were no loans or advances in the nature of loans made by the Company to any firms or companies in which the Directors are interested. Details of guarantees and investments covered under Section 186 of the Companies Act, 2013 are provided in the Notes to the Financial Statements.

p. Utilisation of Funds Raised

The Company did not raise any funds through public issue, preferential allotment, or qualified institutions placement during the year under review, as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

However, in the previous financial year 2022–23, the Company successfully listed its equity shares on BSE Limited and the National Stock Exchange of India Limited through an Initial Public Offer (IPO). Subsequently, in 2023–24, the Company issued equity shares via a Qualified Institutional Placement (QIP) on a private placement basis. The Company affirms that there has been no deviation or variation in the utilisation of proceeds from these listed equity shares.

q. Certificate from Company Secretary in Practice

A certificate from a Practicing Company Secretary confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI, the Ministry of Corporate Affairs, or any other statutory authority, is annexed to this Report. Additionally, a compliance certificate on Corporate Governance obtained from the Practicing Company Secretary is also annexed.

r. Committee Recommendations

During the financial year 2024–25, there were no instances where the Board did not accept any recommendations of its Committees.

s. Fees Paid to Statutory Auditor[26]

The total fees paid by the Company and its subsidiaries on a consolidated basis to the Statutory Auditors and their network entities during the year are as follows:

Particulars	(Amount in ₹ Lacs)
Statutory Audit	19.00
Limited Review of Quarterly Results[27]	11.00
Other Certification Services	5.10
Reimbursement of levies and expenses	1.99
Total	**37.09**

t. Disclosure on Sexual Harassment Complaints

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company received did not receive any complaints during the Financial year 2024-25.

u. Compliance with Regulation 39(4) of SEBI LODR

There are no unclaimed shares as of March 31, 2025. Accordingly, the provisions of Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") are not applicable.

16. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

There have been no instances of non-compliance with any of the requirements of the Corporate Governance Report as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), except as disclosed under point (h) of this Report.

17. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

The Company has adopted the discretionary requirements as specified under Part E of Schedule II to SEBI LODR. Notably, the financial statements of the Company are unqualified, reflecting adherence to high standards of financial reporting and governance.

18. DISCLOSURE OF COMPLIANCE WITH SEBI LODR

The Company confirms compliance with the Corporate Governance requirements specified under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46, and Schedule V - Parts C to F of SEBI LODR.

[26]Pursuant to the resolution passed by the Members at the Annual General Meeting held on September 27, 2025, M/s. Walker Chandiok & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company with effect from the same date. Accordingly, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, ceased to hold office as Statutory Auditors effective September 27, 2025

[27]Includes fee paid to S.R. Batliboi & Co. LLP, Chartered Accountants for Limited review of Q1 Results- they being Statutory Auditors till September 27, 2025

Annexure - 2

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 Rs. lakhs)

(₹ in lakhs)

Name of the subsidiary	:	Cognition Digital LLP (Wholly owned subsidiary LLP)	Ethos Lifestyle Private Limited[1] (Wholly owned subsidiary company)
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	:	March 31, 2025	March 31, 2025
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	:	42.94	600
Reserves and Surplus	:	627.39	(11.00)
Total assets	:	762.64	1,723.82
Total liabilities	:	92.32	1,134.82
Investments	:	-	-
Turnover	:	510.17	-
Profit before taxation	:	136.86	(11.00)
Provision for taxation	:	48.19	-
Profit after taxation	:	88.67	(11.00)
Proposed Dividend	:	-	-
% of shareholding	:	100%	100%

Notes: The following information shall be furnished at the end of the statement:

1. Ethos Lifestyle Private Limited (formerly RF Brands Private Limited) ceased to be a wholly owned subsidiary of the Company effective July 16, 2025, pursuant to preferential issue of shares. It continues to be the subsidiary of the Company
2. Names of subsidiaries which are yet to commence operations-
3. Names of subsidiaries which have been liquidated or sold during the year –

Part 'B' : Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lakhs)

Name of associate	:	Pasadena Retail Private Limited	Silvercity Brands AG
1. Latest audited balance sheet date	:	March 31, 2025	March 31, 2025
2. Shares of Associate/Joint Venture held by the Company on the year end	:		
- Number	:	27,50,000	24,46,000
- Amount of investment in associate/joint venture	:	275.00	2871.16
- Extent of holding percentage	:	50%	33.88%
3. Description of how there is significant influence	:	Joint Venture Company	Associate company
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	:	388.36	3056.39
6. Profit/Loss for the year	:		
- Considered in consolidation	:	7.13	(134.14)
- Not considered in consolidation	:	-	

Notes: The following information shall be furnished at the end of the statement:

1. Names of associates or joint ventures which are yet to commence operations – Not applicable
2. Names of associates or joint ventures which have been liquidated or sold during the year – Not applicable

[1]Ethos Lifestyle Private Limited (formerly RF Brands Private Limited) ceased to be a wholly owned subsidiary of the Company effective July 16, 2025, pursuant to preferential issue of shares. It continues to be the subsidiary of the Company

Annexure - 3

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)	Not applicable
	a) the details of technology imported.	
	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, 2025	March 31, 2024
Foreign Exchange earnings	1752.00	967.64
Foreign Exchange outgo	49480.00	34,606.11

Annexure - 4

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025

{in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014}

1. Brief outline on CSR policy of the Company

Ethos Limited ("Ethos" or the "Company") strives to be a socially responsible organization and strongly believes in development that benefits society at large. In line with this commitment, and pursuant to the provisions of Section 135 of the Companies Act, 2013, read with Schedule VII and the rules made thereunder, the Board of Directors of Ethos, acting upon the recommendation of its Directors and the Corporate Social Responsibility Committee (the "Committee") at its meeting held on February 4, 2019, approved, adopted, and formulated the "Ethos Limited – Corporate Social Responsibility Policy."

The "Ethos Limited – Corporate Social Responsibility Policy" sets out the guiding principles for undertaking CSR activities by the Company. It also establishes the framework for the planning, execution, implementation, and monitoring of CSR initiatives to be undertaken by the Company.

2. The composition of the Corporate Social Responsibility (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	Chairman	1	1
2.	Mrs. Munisha Gandhi, Member	Member	1	1
3.	Mr. Pranav Shankar Saboo, Member	Member	1	1
4.	Mr. Manoj Subramanian*, Director	Member	1	1

* Mr. Manoj Subramanian was appointed as a member of the CSR Committee at the Board Meeting held on January 18, 2024. However, he subsequently resigned from the membership of the Committee with effect from February 14, 2025.

The CSR Committee of the Company was initially constituted by the Board of Directors at its meeting held on February 4, 2019. The Committee was subsequently reconstituted pursuant to Board resolutions passed on November 3, 2022, September 29, 2023, January 18, 2024, and February 14, 2025.

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 the composition of the CSR Committee, the CSR Policy, and details of CSR projects approved by the Board are disclosed is: https://www.ethoswatches.com/investors-information

4. Provide the executive summary along with the 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

Not applicable

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

S. No.	Net Profit for the year ended on		₹ in lakhs)
1.	31st March, 2024	:	10,812.32
2.	31st March, 2023	:	8,038.48
3.	31st March, 2022	:	3,060.66
4.	Total (1+2+3)	:	21,911.46
5.	Average Net Profits (₹ 21,911.46/3)	:	7,303.82

7.

(a)	Two percent of average net profit of the Company as per section 135(5)	₹ 146.08 lakh
(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	₹ 0.10 Lakh
(d)	Total CSR obligation for the financial year (7a + 7b -7c)	₹ 145.98 lakh

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.

S. N.	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				CSR Registration no.	Name
1	FY 31.03.2022_1	Protection of flora and fauna	Million Tree Project	No	Ananthapuramu, Andhra Pradesh Kolar, Karnataka		Ongoing, subject to achievement of 1 million tree plantation 1 year	65.00	No	CSR00000702	SayTrees Environmental Trust
2	FY 31.03.2022_1	Protection of flora and fauna	Million Tree Project	Yes	Bhiwani, Jind (Haryana) Alwar, Sikar, Jaipur (Rajasthan) Tumkur, Chikamagalur (Karnataka)			65.00	No	CSR00000590	SankalpTaru Foundation
Total								**130.00**			

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

S. N.	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				CSR Registration no.	Name
1	-	Traditional Art and Handicrafts	-	No	Delhi	Delhi	12	1.29	No	CSR00045992	KDDL-Ethos Foundation
2	-	Traditional Art and Handicrafts	Worls Craft Forum (connecting the world, shaping the future)	No	Delhi	Delhi	12	5.00	No	CSR00059762	National Council for Handloom and Handicraft Development
3	-	Traditional Art and Handicrafts	-		Delhi	Delhi		0.67	Yes		-
4	-	Health Care, including Preventive Health Care	-	No	M.P.	Gwalior	3	8.00	No	CSR00087175	Madhavrao Scindia Foundation
5	-	Traditional Art and Handicrafts	Ragas for Yamuna	No	Delhi	Delhi	1	2.50	Yes	CSR00019196	Bharatiyam
Total								**17.46**			

(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) : ₹ 147.46 Lakh

(e) CSR amount spent or unspent for the Financial Year: ₹ 147.46 Lakh

Amount Unspent (in ₹ lakhs)

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
₹147.46 Lakh	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	146.08
(ii)	Total amount spent for the Financial Year	147.46
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.38
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii) – (iv)]	1.38

9. 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 2023-24	0.00	0.00	0.00	Not Applicable		0.00	0.00
2.	FY 2022-23	0.00	5.54	5.67	Not Applicable		0.00	0.00
3.	FY 2021-22	5.54	0.00	0.00	Not Applicable		0.00	0.00

10. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (If yes, enter the number of Capital assets created/acquired):

No

11. 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 of CSR Committee

Annexure - 5
Management Discussion and Analysis

Economic Overview

Global Economic Review

Overview

The global economy exhibited notable resilience in CY 2024, overcoming earlier apprehensions of a potential recession triggered by supply chain disruptions, geopolitical tensions, and persistent inflationary pressures. The United States economy remained robust, supported by strong employment levels and sustained corporate earnings. In contrast, Europe grappled with both political and economic uncertainty, with Germany—its largest economy—experiencing economic contraction for the second consecutive year.

Meanwhile, the reopening of China's economy following the COVID-19 lockdowns did not translate into the anticipated surge in growth. Challenges such as overcapacity and mounting stress in the real estate sector led to deflationary concerns driven by subdued aggregate demand.

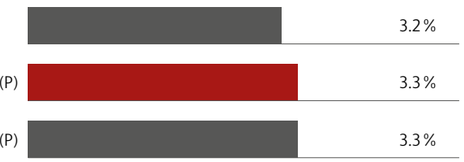
Outlook

Looking ahead, the global economic outlook remains cautiously optimistic. Central banks across key economies are expected to shift towards more accommodative monetary policies, as inflationary pressures continue to moderate. Nevertheless, the global economy achieved a commendable growth rate of 3.2% in CY 2024, navigating these headwinds effectively. Global GDP growth is projected to stabilise at 3.3% for both CY 2025 and CY 2026, indicating a sustainable and broad-based recovery trajectory.

Emerging markets and developing economies outperformed their advanced counterparts, recording a growth rate of 4.2%, significantly higher than the 1.7%[1] growth seen in advanced economies. A marked decline in global inflation from 6.8% in CY 2023 to 5.9% in CY 2024 was instrumental in restoring price stability and stimulating economic activity. This improvement was underpinned by proactive and coordinated monetary tightening by central banks and a broader expansion of energy supplies. Despite persistent geopolitical volatility and structural impediments, the combination of resilient consumer spending and government-led fiscal interventions ensured steady economic momentum through the year. Global headline inflation is anticipated to decline to 4.2% in CY 2025 and further ease to 3.5% in CY 2026[2]. Advanced economies are likely to reach their inflation targets sooner than their emerging counterparts, driven by stronger monetary anchors and policy credibility.

Although certain geopolitical risks persist, sustained government initiatives, targeted fiscal spending, and global supply chain recalibration are expected to support macroeconomic stability. With steady disinflation, improving financial conditions, and ongoing structural reforms, the foundation is being laid for an inclusive and resilient global economic landscape.

Global GDP data growth rate (%)



P - Projected

Indian Economic Review

Overview

During the year under review (FY 2024–25), India's GDP expanded by a robust 6.4%, reaffirming the economy's resilience amidst global headwinds including geopolitical conflicts in Europe and the Middle East. This sustained performance was underpinned by strategic government interventions, buoyant private consumption, and a healthy uptick in exports.

Inflationary pressures eased during the year, with the Consumer Price Index (CPI) inflation declining from 5.4% in FY 2023–24 to 4.9% in FY 2024–25[4], creating a more stable macroeconomic environment. This softening of inflation has reinforced consumer confidence and is expected to stimulate demand across key discretionary and retail segments.

The Indian economy continues to benefit from proactive structural reforms, progressive deregulation, and substantial public investment in infrastructure. The expansion of the services sector, accelerating digitalisation, and deepening financial inclusion are further enhancing the country's attractiveness as a destination for global and domestic consumer brands. With a rising aspirational class and improving macroeconomic fundamentals, India remains one of the most dynamic and promising consumer markets globally.

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

[2] https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025

[3] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097919#:~:text=India's%20real%20GDP%20growth%20is,by%206.4%20per%20cent%20FY25.

[4] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097919#:~:text=India's%20real%20GDP%20growth%20is,by%206.4%20per%20cent%20FY25

Outlook

Looking ahead, the outlook for the Indian economy remains constructive, With GDP growth projected in the range of 6.3% to 6.8% for FY 2025-26[5]. The Union Budget for FY 2025–26 is expected to play a pivotal role in driving this growth by stimulating savings, investments, and consumption through targeted tax reforms and sector-specific incentives.

A significant proposal under the Budget is the exemption of income tax for salaried individuals earning up to ₹ 12.75 lakh, which is anticipated to release substantial disposable income into the hands of middle-class households[6]. This, coupled with the 25 basis point repo rate cut[7] by the Reserve Bank of India (RBI), will enhance liquidity in the system. Additionally, the implementation of the 8th Pay Commission is expected to provide further impetus to discretionary spending, thereby supporting demand for premium and luxury goods.

Favourable developments in global trade and India's increasing integration into global supply chains are poised to strengthen net external demand. The government's continued emphasis on deregulation, infrastructure expansion, and active private sector participation remains central to sustaining long-term economic growth.

With rising incomes, improved digital connectivity, and growing consumer aspirations, sectors such as retail, e-commerce, and digital services are set for expansion. Although geopolitical uncertainties persist, India's stable inflation outlook, robust foreign exchange reserves, and sound fiscal discipline strategically position it to navigate challenges and capitalise on emerging opportunities in the global economic landscape.

GDP growth trend in India (%)



P - Projected

Industry Overview

Global Premium and Luxury Watch

Overview

The global premium and luxury watch market stagnated in CY2024 after robust growth in the post Covid years. The stagnation was mainly due to the fall in demand for premium and luxury watches in Greater China region, which was the single largest market. The market size for premium and luxury watches is estimated at USD 54 billion in CY2024. Although CY25 is expected to remain flat, a gradual normalisation can be expected from CY2027. By 2032, the global premium and luxury watch market is expected to rise to USD 70-75 billion.

The Asia-Pacific region has emerged as the largest contributor, commanding approximately 42% of the global market share in 2024. This dominance is driven by a burgeoning affluent consumer base, heightened brand consciousness, and expanding access to luxury retail formats. The US continues to be the next largest area.

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, India's economic growth is contributing to an improved per capita income and increased consumption levels. Increasingly, people are opting for luxury products to experience the allure of opulence.

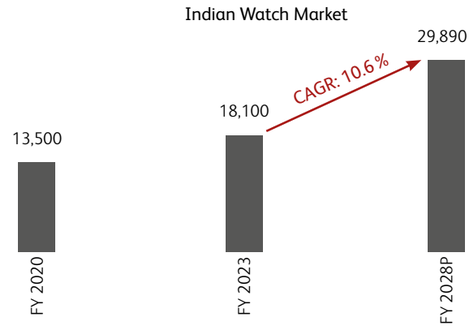
India is home to Asia's fastest-growing luxury market. India's strong economic growth has increased the number of High-net-worth individuals (HNWI) and Ultra-high-net-worth individuals (UHNWIs). This has further facilitated the demand for luxury products, especially watches.

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 tend to gravitate towards products that offer 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

Outlook

Looking ahead, the global premium and luxury watch market is poised for continued growth, driven by technological innovation and evolving consumer perception. Luxury timepieces are increasingly viewed not only as symbols of prestige and personal style but also as viable investment assets, enhancing their appeal among discerning buyers.

Manufacturers are leveraging cutting-edge materials, intricate complications, and enhanced functionalities to cater to a clientele that seeks both precision engineering and aesthetic distinction. The integration of modern design with traditional craftsmanship is further elevating the value proposition of luxury watches.

Moreover, the surge in demand for pre-owned luxury watches is expected to significantly broaden the market base. Factors such as affordability, sustainability, and instant availability are making the pre-owned segment an attractive entry point for new consumers while also appealing to seasoned collectors. This expanding interest in certified pre-owned timepieces is set to further accelerate market penetration and growth in the years to come.

The Pre-Owned Watch Market

Global

The global pre-owned luxury watch market has witnessed remarkable growth in recent years, emerging as a key segment within the broader horology industry. This expansion is primarily driven by three core factors: affordability, sustainability, and immediate availability. These elements collectively address the needs of value-conscious yet aspirational consumers, making high-end timepieces more accessible without compromising on brand appeal.

The proliferation of trusted online and offline marketplaces has further legitimised the pre-owned watch segment. These platforms offer authentication services, warranties, and transparent pricing, enabling consumers to purchase with confidence and peace of mind. In parallel, the active participation of leading luxury watch brands in the certified pre-owned (CPO) space has significantly enhanced consumer trust and expanded market reach.

As a result, pre-owned watches are increasingly viewed as smart, sustainable investments, combining the allure of luxury with the benefits of lower entry price points. With growing awareness, brand acceptance, and digital accessibility, the global pre-owned watch segment is expected to remain a powerful growth engine in the luxury watch market.

Indian

In India, the pre-owned luxury watch segment is on the cusp of rapid expansion, mirroring trends observed in other emerging economies. Recent consumer surveys indicate that over 50% of Indian respondents are likely to consider purchasing a pre-owned luxury watch within the next year—surpassing the global average. This growing inclination is primarily driven by affordability, cited as the key motivator by nearly half of the respondents.

Sustainability and instant availability are also influencing purchase behaviour, with 41% of consumers acknowledging the eco-friendly appeal of pre-owned watches and 40% valuing the convenience of immediate possession. These trends reflect a broader shift in consumer mindset towards conscious consumption and smart luxury ownership.

With the circulation of premium timepieces increasing across the country, the ecosystem supporting pre-owned sales—including authentication, refurbishment, and resale platforms—is maturing steadily. With the right infrastructure, brand participation, and consumer education, this segment offers a strategic growth avenue for watchmakers and retailers.

Furthermore, the ongoing expansion of India's primary luxury watch market is expected to create a virtuous cycle of demand, fuelling opportunities within the pre-owned category. As Indian consumers become increasingly brand-savvy and investment-conscious, the pre-owned watch market is poised to become a key driver of growth, offering significant potential for both established and emerging players in the horology space.

Swiss Watch Market

Overview

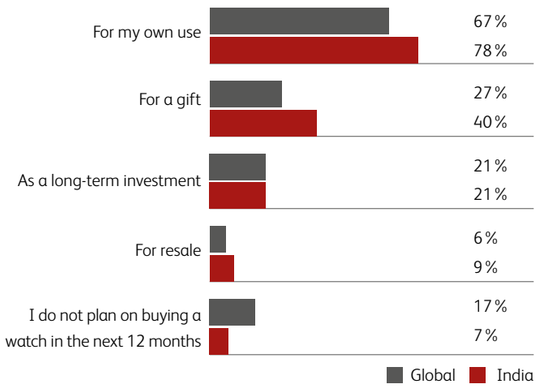
The Swiss watch industry continues to represent the gold standard in horology, synonymous with precision, heritage, and craftsmanship. In recent years, the sector has experienced steady demand growth, buoyed by affluent consumers seeking timeless luxury and mechanical excellence. India has emerged as a high-potential growth market, propelled by a rapidly expanding middle class, increasing disposable incomes, and a heightened affinity for international luxury brands.

Swiss watches are perceived as aspirational lifestyle assets in India, often associated with personal milestones, social status, and generational value. The recent trade agreement between India and the European Free Trade Association (EFTA)—which includes Switzerland—aimed at reducing import duties, is expected to further bolster the competitiveness of Swiss timepieces in the Indian market.

Globally, Swiss watch exports continue to rise, supported by recovering tourism, growth in direct-to-consumer channels, and rising digital adoption. However, the industry also faces challenges including fluctuating demand in mature markets, regulatory constraints in certain geographies, and evolving preferences among younger, digitally native consumers.

As per the Federation of the Swiss Watch Industry, Swiss watch exports reached CHF 25.99 billion in CY 2024. Exports to India grew strongly by 25.2% year-on-year, increasing from CHF 0.22 billion in 2023 to CHF 0.27 billion in 2024.

A survey on the end purpose of buying a watch



Source: Deloitte Swiss Watch Industry Study 2023[6]

[5] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097919#:~:text=India's%20real%20GDP%20growth%20is,by%206.4%20per%20cent%20FY25.

[6] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2098353

[7] https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=59692

[8] https://pib.gov.in/PressReleseDetailm.aspx?PRID=2022323&reg=3&lang=1

Outlook

The outlook for the Swiss watch industry remains cautiously optimistic. India presents a strategic growth opportunity, but long-term success will depend on sustained consumer engagement, localisation strategies, and brand education. Swiss manufacturers are increasingly partnering with trusted retailers and investing in experiential retail formats to build deeper connections with Indian consumers.

The pre-owned and certified pre-owned (CPO) market is also gaining traction within the Swiss segment, creating new revenue channels and enhancing brand lifecycle value. Simultaneously, there is a growing focus on sustainability, with leading Swiss brands incorporating eco-innovation, ethical sourcing, and circular economy principles into their production processes.

To maintain global leadership, Swiss watchmakers must remain agile—balancing tradition with innovation, exclusivity with accessibility, and craftsmanship with conscious luxury. As the next wave of watch collectors and enthusiasts emerges, brands that embrace digital transformation and consumer-centric storytelling will be best positioned to thrive.[9]

Indian Premium and Luxury Watch Industry

Overview

India's premium and luxury watch segment has experienced substantial momentum in recent years, supported by the country's dynamic economic growth and expanding affluence. As one of the fastest-growing major economies globally, India is witnessing a demographic transformation—marked by a rising upper-middle and high-income population—driving demand for aspirational and luxury products, including high-end timepieces.

Current estimates suggest that one in every four the Indian households falls within the upper-middle or high-income bracket, with this proportion expected to increase significantly by 2030. This socio-economic evolution is translating into increased discretionary spending, particularly among high-net-worth individuals (HNIs) and affluent young consumers, who are fueling demand for luxury watches as expressions of personal success, style, and status.

India's broader luxury goods market, presently valued at approximately USD 7 billion, is projected to reach around USD 30 billion by 2030,[10] reflecting the deepening appetite for premium offerings across categories. Within this ecosystem, Swiss watches and other globally reputed brands are rapidly gaining traction. The growing influence of younger consumers—many of whom favour exclusivity, craftsmanship, and heritage—has further accelerated the industry's expansion.

This shift marks a significant inflection point for the Indian watch industry, positioning it as one of the most promising frontiers for global luxury watchmakers seeking long-term market growth and brand loyalty.

The Indian watch market segments:

Premium Segment
Includes bridge to-luxury brands.

Luxury Segment
High-end brands catering to affluent consumers.

Pre-Owned Segment
Gaining traction due to affordability and sustainability.

Outlook

The Indian luxury watch market is on a strong growth trajectory, underpinned by a confluence of macroeconomic and socio-demographic factors. Sustained economic expansion, rising disposable incomes, and the growing base of high-net-worth individuals (HNIs) and dollar millionaires are expected to further elevate demand for premium timepieces in the coming years.

The accelerated adoption of digital platforms and e-commerce has been instrumental in extending the reach of luxury watch brands beyond metropolitan centres to Tier 2 and Tier 3 cities, where aspirational consumer segments are increasingly embracing luxury consumption. This digital transformation has enhanced brand visibility, accessibility, and customer engagement across diverse geographies.

Luxury watchmakers particularly Swiss heritage brands are actively capitalising on this trend by expanding their retail footprint and investing in omnichannel strategies tailored to Indian consumers. Additionally, there is a growing appetite for personalised, bespoke, and limited-edition watches, driven by younger, brand-conscious consumers who value exclusivity, craftsmanship, and legacy.

With a favourable demographic dividend, evolving preferences, and deepening brand affinity, India is poised to become one of the most important strategic markets for global luxury watch brands over the next decade[11].

[9] https://www2.deloitte.com/in/en/pages/consumer-business/articles/deloitte-swiss-watch-industry-insights-2024.html
[10] https://www2.deloitte.com/in/en/pages/consumer-business/articles/deloitte-swiss-watch-industry-insights-2024.html
[11] https://www2.deloitte.com/in/en/pages/consumer-business/articles/deloitte-swiss-watch-industry-insights-2024.html

Opportunities and Threats

Opportunities

1. **Expanding Affluent Consumer Base:** With India's affluent population projected to double to 88 million by 2028 (UBS), the demand for aspirational and luxury timepieces is expected to grow significantly, offering a strong consumption tailwind for Ethos.
2. **Emerging Pre-Owned Market:** The surge in demand for certified pre-owned luxury watches presents a scalable growth opportunity. Ethos' early entry and trusted reputation in this space position it to lead this segment.
3. **Omnichannel and Digital Transformation:** Increasing penetration of digital commerce and the Company's investments in online platforms and virtual showrooms enable deeper customer engagement and geographic reach beyond metro cities.
4. **Favorable Trade Policies:** Trade agreements like the one with the European Free Trade Association (EFTA) are expected to reduce import duties on luxury items, making premium products more affordable and competitive in India.
5. **Brand Diversification and Exclusive Partnerships:** Strategic tie-ups with global brands such as Singer Reimagined, ID Genève, and Christian van der Klaauw enhance portfolio exclusivity and appeal to niche high-end segments.

Threats

1. **Changing Consumer Preferences:** Rapid shifts in fashion, technology adoption, and lifestyle trends may impact brand preference and reduce demand for traditional timepieces if not proactively addressed.
2. **Macroeconomic Volatility:** Currency fluctuations, inflation, and interest rate hikes may dampen discretionary spending, particularly in premium categories.
3. **Regulatory Complexity and Delays:** Delays in securing statutory approvals for retail expansion, particularly in Tier 1 malls, can slow down planned growth and impact return timelines on new store investments.
4. **Counterfeit Products and Grey Market:** The presence of counterfeit watches and grey market imports poses reputational risk and margin pressure by undercutting genuine product pricing.
5. **Concentration Risk:** Ethos is significantly reliant on select high-performing brands. Any disruption in global supply chains or changes in distributor agreements may adversely affect availability and sales of top-selling SKUs.

Segment wise or Product Wise performance

During FY 2024–25, Ethos operated across three key segments: **Luxury Retail (Watches and Lifestyle, Certified Pre-Owned (CPO), and Online Sales/digitally assisted.**

The **Luxury Retail** segment remained the primary revenue driver, led by robust in-store purchases of Swiss and international high-luxury watch brands. Strong brand partnerships and a premium in-boutique experience continued to reinforce customer loyalty and high-value transactions.

The **Certified Pre-Owned (CPO)** business, a relatively vertical, witnessed strong growth momentum. This was fuelled by rising consumer interest in authenticated pre-owned timepieces, supported by Ethos' trusted sourcing and quality assurance framework.

The **Online Sales/digitally assisted** channel recorded notable traction, aided by accelerated digital transformation, targeted marketing, and expansion of logistics reach. The channel played a critical role in capturing aspirational demand, particularly from Tier 2 and Tier 3 cities. While footfalls in metro boutiques remained healthy, **omnichannel integration** — including virtual showroom consultations — enhanced customer engagement and contributed to a seamless hybrid buying experience.

Risks and Concerns

Ethos Limited operates in a dynamic environment influenced by multiple macroeconomic, regulatory, operational, and consumer-led factors. While the Company maintains a proactive and structured risk management framework, the following risks and concerns may have a potential impact on its future performance:

1. **Macroeconomic and Geopolitical Uncertainty:** Persistent global volatility—including inflation, interest rate fluctuations, and geopolitical tensions—can adversely impact consumer sentiment and discretionary spending, particularly in the luxury retail segment.
2. **Foreign Exchange Risk:** A substantial portion of Ethos' inventory is imported. Significant fluctuations in foreign exchange rates, particularly USD-INR, can affect cost structures and margins.
3. **Concentration Risk – Brand and Supplier Dependence:** The Company relies on exclusive partnerships with select high-end international brands. Disruptions in global supply chains or changes in distributor agreements may affect inventory availability and revenue streams.

4. **Shifts in Consumer Behaviour:** The increasing adoption of smartwatches and digital wearables, coupled with rapidly changing fashion preferences, may challenge the long-term demand for traditional luxury timepieces.

5. **Competitive Landscape:** The Indian luxury retail market is witnessing entry from new global and domestic players. Intensifying competition may exert pricing pressure and require elevated marketing investments to retain market share.

6. **Real Estate and Expansion Risks:** Difficulty in securing prime retail locations or delays in regulatory clearances can hamper the timely rollout of new boutiques and affect expansion plans.

7. **Cybersecurity and Data Privacy:** As Ethos continues its digital transformation and expands online operations, it faces increased exposure to cybersecurity threats, data breaches, and technology system vulnerabilities.

8. **Talent Retention and Skill Development:** The Company's success is closely tied to its ability to attract, train, and retain skilled professionals. High attrition or gaps in talent acquisition could disrupt customer service quality and operational efficiency.

While these risks are inherent to the nature of business, Ethos has put in place comprehensive mitigation strategies, robust internal controls, and continuous monitoring to minimise their impact and safeguard stakeholder value.

Financial Performance with respect to operational performance:

During FY 2024–25, Ethos Limited delivered robust financial performance, reflecting the strength of its operational strategies and continued demand across its luxury watch portfolio. The Company reported a standalone turnover of ₹1,27,651.39 lakhs, registering a strong year-on-year growth from ₹1,02,009.36 lakhs in FY 2023–24, supported by growth in both premium watch sales and increased contribution from the certified pre-owned (CPO) business.

Despite inflationary pressures and global uncertainties, the Company achieved an improvement in profit before tax (PBT) to ₹13,155.29 lakhs and profit after tax (PAT) to ₹9,825.41 lakhs, demonstrating enhanced operating leverage. This improvement is attributable to optimised inventory management, cost discipline, and brand mix realignment towards higher-margin timepieces.

Operationally, the Company expanded its retail footprint to 73 stores across 26 cities, enhanced omnichannel capabilities, and signed new brand partnerships to strengthen its luxury and high-luxury portfolio. These operational initiatives directly contributed to increased footfalls, higher average transaction values, and improved customer retention.

Key performance indicators such as the Debtors Turnover Ratio improved from 91.77 to 73.99 days, reflecting tighter receivables management. However, the Inventory Turnover Ratio showed a marginal decline from 1.79 to 1.70, due to planned stock build-up to support new store openings and premium brand launches.

Overall, the Company's financial performance mirrors its strong operational execution, underpinned by strategic expansion, customer-centricity, and supply chain agility. The management continues to remain focused on long-term value creation through profitable and sustainable growth.

Financial Review

Financial Results	Standalone for the year ended		Consolidated for the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Turnover (Including other Income) (Rs. in lakhs)	1,27,651.39	1,02,009.36	1,27,592.69	1,02,260.39
Profit before tax	13,155.29	10,857.95	13,006.86	11,131.21
Profit after tax	9,825.41	8,129.21	9,628.79	8,329.46
Earnings Per Share (basic/diluted) (Rs.)	40.14	34.14	39.33	34.98

Details of significant ratio changes

Ratios (Standalone)	As of March 31, 2025	As of March 31, 2024	Increase/decrease (%)
Debtors Turnover (Number of days)	73.99	91.77	(19.37)
Inventory Turnover Ratio (No. of Times)	1.70	1.79	(5.12)
Interest Coverage Ratio (No. of Times)	7.78	7.80	(0.27)
Current Ratio (No. of Times)	4.97	4.98	(0.19)
Debt Equity Ratio (No. of Times)	0.28	0.16	77.09*
Operating Profit Margin (%)	12.06%	12.48%	(3.36)
Net Profit Margin (%)	7.85	8.15	(3.68)
Return on Equity / Net Worth (%)	10.55	10.74	(1.74)
Return on Capital Employed (%)	12.00	12.13	(1.06)

*The increase in the Debt-Equity Ratio is primarily attributable to a rise in lease liabilities recognised in accordance with Ind AS 116. While the Company's equity base has continued to grow, the corresponding increase in lease obligations—on account of new boutique openings and long-term retail expansion—has resulted in a marginally higher financial leverage.

Human Resource

At Ethos, a talented and motivated workforce is considered a cornerstone of the Company's sustained success. Ethos remains committed to attracting and retaining highly skilled professionals who align with its values, vision, and customer-centric ethos. Its human resource policies are designed to ensure that each team member plays a meaningful role in the Company's growth trajectory.

To enhance employee capabilities, Ethos consistently invests in training and development programmes, fostering a culture of continuous learning and upskilling. These initiatives help employees stay abreast of industry trends and strengthen their functional expertise, enabling them to deliver superior service and contribute to operational excellence.

Employee recognition and performance management are integral to the Company's HR practices. Periodic evaluations, constructive feedback, and performance-based acknowledgements create an environment of transparency, motivation, and professional advancement.

As of March 31, 2025, Ethos employed 780 full-time staff, of which 149 are women, reflecting a workforce that is approximately 19.10% female a testament to the Company's commitment to diversity and inclusion.

Ethos also places strong emphasis on employee well-being. Comprehensive medical and accidental insurance, as well as regular health and wellness check-ups, form part of its holistic employee care framework. By nurturing both professional development and personal well-being, Ethos fosters a supportive and empowering workplace that enables its team to thrive.

Internal control systems and their adequacy

Ethos Limited has instituted robust internal control systems and a structured internal audit framework aimed at safeguarding assets, ensuring the accuracy of financial reporting, and supporting effective operational management. The internal audit function operates independently and reports directly to the Audit Committee and the Board of Directors, ensuring transparency and oversight at the highest levels.

As part of its control ecosystem, the Company undertakes monthly and quarterly business reviews to assess unit-level performance and implement timely corrective actions. A well-defined capital expenditure control mechanism is in place to monitor and approve investments in assets and new projects, ensuring prudent financial management and adherence to timelines and budgets.

The findings from internal audits, along with the corresponding corrective measures, are regularly communicated to the Audit Committee and the Senior Management Team. The Audit Committee also reviews the quarterly, half-yearly, and annual financial statements, providing governance-level assurance on financial integrity and control effectiveness.

Throughout the year, the Company carried out a comprehensive evaluation of its internal financial controls, with results indicating satisfactory compliance. Recommendations from these reviews were implemented promptly. Ethos continues to refine its Policy Guidelines and Standard Operating Procedures (SOPs) to ensure alignment with evolving corporate governance standards and regulatory expectations.

Disclosure of Accounting Treatment

The financial statements of Ethos Limited for the year ended March 31, 2025, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other applicable provisions of the Companies Act, 2013.

There has been no change in the accounting treatment followed by the Company during the year as compared to the previous financial year. The accounting policies have been consistently applied to ensure comparability and reliability of financial information.

No treatment different from that prescribed in any applicable accounting standard has been followed in preparation of the financial statements that would require specific disclosure under Regulation 34(3) and Schedule V of SEBI (LODR) Regulations, 2015.

Affirmation

The Management Discussion and Analysis Report for the financial year ended March 31, 2025, as presented above, was reviewed and approved by the Board of Directors of the Company at its meeting held on August 14, 2025. The Report reflects the Company's commitment to transparent disclosure and has been prepared in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other statutory requirements, to the extent applicable.

Disclaimer

This Management Discussion and Analysis Report contains certain forward-looking statements based on current expectations, estimates, and projections about future developments. These statements are subject to known and unknown risks, uncertainties, and assumptions that may cause actual results, performance, or achievements to differ materially from those expressed or implied herein.

In addition to macroeconomic and geopolitical factors, the Company operates in an evolving business environment that is subject to unpredictable and rapidly changing external conditions. The forward-looking statements included in this report are based on the information available at the time of publication and reflect the Company's current views, beliefs, and expectations.

Such statements should not be interpreted as guarantees of future performance. Readers are cautioned not to place undue reliance on these forward-looking statements, as they are not historical facts and are inherently subject to change. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events, or otherwise, unless required by applicable law.

Annexure - 6
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 office address	S.C.O. 88-89, Sector 8-C, Madhya Marg, Chandigarh 160 009, India
6.	E-mail	investor.communication@ethoswatches.com
7.	Telephone	0172-2548223/24
8.	Website	www.ethoswatches.com
9.	Financial year for which reporting is being done	April 01, 2024 – March 31, 2025
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 - investor.communication@ethoswatches.com Contact details - 0124-6932100
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	98.05

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	102	102
International	Not applicable	2	2

* includes 73 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)	26
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 73 locations across the country.

IV. Employees

20. Details at the end of March 31, 2025

a. Employees and workers (including differently abled)

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	780	631	80.90%	149	19.10%
2.	Other than Permanent (E)	30	26	86.67%	4	13.33%
3.	**Total employees (D+E)**	**810**	**657**	**81.11%**	**153**	**18.89%**
	WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total workers (F+G)**	**0**	**0**	**0**	**0**	**0**

b. Differently abled Employees and workers:

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

21. Participation/Inclusion/Representation of women

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	5	0	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Category	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.9%	6.7%	27.6%	20.5%	9.2%	29.7%	20%	8.8%	28.8%
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 3.08% (indirectly)	Yes
2	Cognition Digital LLP	Wholly owned Subsidiary	100.00%	No
3	Pasadena Retail Private Limited	Joint Venture	50.00%	No
4	Silvercity Brands AG	Associate	34.39%	No
5	Ethos Lifestyle Private Limited (formerly known as RF Brands Private Limited)	Wholly owned Subsidiary	100.00%	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, 2025:	1,27,651.39 lakhs
(iii)	Net worth (in ₹) As at March 31, 2025:	98008.47

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 2024-25 Current Financial Year			FY 2023-24 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 https://www.ethoswatches.com/investors-information/investor-contacts	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		Nil	Nil	Nil	Nil	Nil	Nil
Customers		356	18	Nil	287	11	Nil
Value Chain Partners		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 ensuring strengthening our market position.	Positive:- The Company strongly promulgates customer engagement programs for active participation of our customers.
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 and 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.
4	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 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.
5	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)
6	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.
7	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.
8	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
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	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	https://www.ethoswatches.com/investors-information/corporate								
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.	The Company is committed to the Million Tree Project (planting one million trees), continuous employee development through reviews and training, enhanced customer engagement via loyalty programs and omnichannel expansion, and maintaining workplace health and safety. It upholds zero-tolerance for non-compliance through a digital compliance tool, promotes diversity and inclusion with equal opportunity policies, supports CSR in agroforestry and rural livelihoods, and ensures robust data privacy and cybersecurity practices.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In FY 2024–25, the Company progressed well on its commitments. The tree plantation initiative continued with plantation of total1,18,387 plants during 2024-25, 100% employees underwent career reviews and training, and CSR funds were fully deployed for vulnerable groups. Omnichannel platforms were strengthened, workplace safety was maintained with zero incidents, and compliance standards were fully met. Customer engagement grew, though 356 complaints were received with 18 pending. Diversity improved modestly, and no data breaches were reported under the privacy framework.								
Governance, Leadership and Oversight									
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 – investor.communication@ethoswatches.com Contact details – 0124 6932100								
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:

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: PRINCPLE 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

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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)		FY 2023-24 (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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	31.49	44.99

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 2024-25 (Current Financial Year)	FY 2023-24 (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)	0.92%	0.11%
	b. Sales (Sales to related parties/Total Sales)	0.30%	0.16%
	c. Loans and advances (Loans and advances given to related parties/Total loans and advances)	Nil	64.00%*
	d. Investments (Investments in related parties/ Total investments made)	31.60%^	72.63%^

*Loans given to KMPs

^Investments in Subsidiaries and Associate Companies.

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	• Induction Programs • Leadership review • Performance Assessments	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		Not applicable	
Capex		Not applicable	

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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) E-waste	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.					
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 Number (B)	Health insurance % (B/A)	Accident insurance Number (C)	Accident insurance % (C/A)	Maternity benefits Number (D)	Maternity benefits % (D/A)	Paternity benefits Number (E)	Paternity benefits % (E/A)	Day Care facilities Number (F)	Day Care facilities % (F/A)
Permanent employees											
Male	631	631	100%	631	100%	0	0	0	0%	0	0%
Female	149	149	100%	149	100%	149	100%	0	0%	0	0%
Total	**780**	**780**	**100%**	**780**	**100%**	**149**	**19%**	**0**	**0%**	**0**	**0%**
Other than Permanent employees											
Male	26	26	100%	26	100%	0	0	0	0%	0	0%
Female	4	4	100%	4	100%	4	100%	0	0%	0	0%
Total	**30**	**30**	**100%**	**30**	**100%**	**4**	**13%**	**0**	**0%**	**0**	**0%**

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

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

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

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a percentage of total revenue of the Company	0.23%	0.21%

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of employees 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	99.87%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	4.98%	-	Y	6.22%	-	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.
Total	N.A.	N.A.	N.A.	N.A.

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 2024-25 Current Financial Year			FY 2023-24 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	810	Nil	Nil	628	Nil	Nil
- Male	657	Nil	Nil	513	Nil	Nil
- Female	153	Nil	Nil	115	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 2024-25 (Current Financial Year)					FY 2023-24 (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)
Employees										
Male	657	0	0	155	23.59%	513	0	0%	105	20.47%
Female	153	0	0	76	49.67%	115	0	0%	41	35.65%
Total	**810**	**0**	**0**	**231**	**28.52%**	**628**	**0**	**0%**	**146**	**23.25%**
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	657	657	100%	513	513	100%
Female	153	153	100%	115	115	100%
Total	**810**	**810**	**100%**	**628**	**628**	**100%**
Workers						
Male	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

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 maintaining 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 of 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 2024-25 (Current Financial Year)	FY 2023-24 (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 2024-25 Current Financial Year			FY 2023-24 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

Leadership 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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (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	• To inform and discuss the Company's performance, their participation and involvement in future prospects • To ensure transparency of disclosure and spread awareness about their rights • To ensure good governance and deepen the trust placed in us and our brand
Investors	• To inform and discuss the Company's performance, their participation and involvement in future prospects • To maintain strong relationships, keep abreast of market developments and inform our shareholder's targeting strategy
Customers	• To have better connect with them and to ensure proper services are being provided to them • To decide the investments and capabilities required to fulfil demand • To identify the opportunities to improve services
Government/Regulatory bodies	• To build and strengthen relationships with the government as a partner in the country's development and as a critical client • To provide input into legislative development processes that will affect the economy and our activities and operations
NGOs/CSR Organisation	• To Support CSR and ESG projects • To enhance their livelihood
Employees	• To provide staff with strategic direction and keep them informed about Company's activities, Vision and Values • To ensure that we provide a safe, positive and inspiring working environment • Career management and Growth Prospects • To understand and respond to the needs and concerns of employees
Communities	• To provide appropriate advice, proactive financial solutions and value adding services • To ensure that the company maintains high service levels that they expect and deserve • To enhance their livelihood
Vendors	• For the performance of contracts and agreements • To obtain feedback for the improvisation of their services which leads to company's growth • To encourage responsible practices across our supply chain, local procurement, supplier conduct and environmental considerations
Media	• To leverage the reach of media channels to share our business story with our stakeholders • To communicate with stakeholders and the broader public to influence behaviour that will lead to desired business results

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 Say Trees 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 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of Employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	780	780	100%	617	617	100%
Other than Permanent	30	30	100%	11	11	100%
Total Employees	**810**	**810**	**100%**	**628**	**628**	**100%**
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

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

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (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)
Employees										
Permanent	780	NA	NA	780	100	617	NA	NA	617	100
Male	631	NA	NA	631	100	506	NA	NA	506	100
Female	149	NA	NA	149	100	111	NA	NA	111	100
Other than Permanent	30	NA	NA	30	100	11	NA	NA	11	100
Male	26	NA	NA	26	100	7	NA	NA	7	100
Female	4	NA	NA	4	100	4	NA	NA	4	100
Workers										
Permanent	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
Other than Permanent	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:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ Wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	3	2,62,38,300	Nil	NA
Key Managerial Personnel	2	83,21,350	Nil	NA
Employees other than BOD and KMP	626	6,23,200	149	6,12,100
Workers	Nil	NA	Nil	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	16.2	14.9

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 2024-25 (Current Financial Year)			FY 2023-24 (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
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
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 2024-25 (Current Financial Year)	FY 2023-24 (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%

11. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 10 above.

Since no instances of child labour, forced/involuntary labour, sexual harassment, discrimination at workplace, or wage-related non-compliances were observed during the year, no corrective actions were required. The Company, however, continues to proactively reinforce its Code of Conduct, Equal Opportunity Policy, POSH Policy, and periodic awareness programs to mitigate potential risks and ensure a safe, fair, and inclusive workplace.

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	The vendors are obligated by contracts to adhere to the requirement
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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From renewable sources	Since the Company operates entirely from leased premises (stores, offices, warehouses, and service centres) and utilizes common utility facilities managed by property owners, it is not feasible to segregate or independently measure energy consumption by source (renewable vs. non-renewable). The Company is billed by lessors for utilities consumed, and hence detailed energy intensity calculations are not applicable.	
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)		
Total fuel consumption (E)		
Energy consumption through other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)		
Total energy consumed (A+B+C+D+E+F)		
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from operations)		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output		
Energy intensity (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 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)	The Company operates entirely from leased premises (stores, offices, warehouses, and service centres) where water supply and consumption are managed by mall/property maintenance agencies. Water withdrawal is billed centrally by such agencies, and therefore, it is not feasible for the Company to independently segregate or report withdrawal/ consumption by source or calculate water intensity metrics. Accordingly, detailed quantitative disclosures are not applicable.	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / Revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)		
Water intensity in terms of physical output		
Water intensity (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

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharged by destination and level of treatment (in kilolitres)		The Company functions from leased premises (stores, offices, warehouses, and service centres), where wastewater management and treatment are undertaken by mall/property maintenance agencies. As such, the Company does not directly discharge water into surface water, groundwater, seawater, or third parties, and it is not feasible to independently quantify discharge volumes or treatment levels. Accordingly, detailed disclosure of water discharged is not applicable.	
(i) Into Surface water	m^3		
- No treatment	m^3		
- With treatment – please specify level of treatment	m^3		
(ii) Into Groundwater	m^3		
- No treatment	m^3		
- With treatment – please specify level of treatment	m^3		
(iii) Into Seawater	m^3		
- No treatment	m^3		
- With treatment – please specify level of treatment	m^3		
(iv) Sent to third parties	m^3		
- No treatment	m^3		
- With treatment – please specify level of treatment	m^3		
(v) Others	m^3		
- No treatment	m^3		
- With treatment – please specify level of treatment	m^3		
Total water discharged (in kilolitres)	m^3		

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

5. 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.

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

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Nox	mg/m^3	The Company operates in the retail sector from leased premises (stores, offices, warehouses, and service centres) and does not have manufacturing operations. Consequently, there are no direct emissions of NOx, SOx, particulate matter, or other hazardous air pollutants attributable to its activities. Air emission management, wherever applicable, is undertaken by mall/property maintenance agencies. Hence, detailed quantitative disclosure of air emissions is not applicable.	
Sox	mg/m^3		
Particulate matter (PM)	mg/m^3		
Persistent organic pollutants (POP)	NA		
Volatile organic compounds (VOC)	NA		
Hazardous air pollutants (HAP)	mg/m^3		
Others – please Specify	PPM		

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (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 CO_2 equivalent	The Company operates entirely from leased premises (stores, offices, warehouses, and service centres) and does not have direct manufacturing operations. As such, it does not generate Scope 1 emissions (direct fuel combustion). Scope 2 emissions, arising from electricity consumption, are embedded within the common utility facilities managed by mall/property owners. Since the Company is billed centrally for utilities and does not have access to segregated consumption data, it is not feasible to quantify Scope 1 and Scope 2 emissions or calculate related intensity metrics. Accordingly, detailed disclosures are not applicable for FY 2024–25 and FY 2023–24.	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent		
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
T**otal Scope 1 and Scope 2 emission intensity** (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.

8. 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.

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	The Company operates in the luxury retail segment and does not generate hazardous or industrial waste. Recyclable or reusable waste is limited to corrugated boxes, bubble wraps, and paper. Corrugated boxes are reused in warehouses, while the remaining material is sold to authorized recyclers. E-waste generated during FY 2024–25 was 605.4 MT, disposed of responsibly through authorized e-waste collectors. No bio-medical, construction, demolition, battery, radioactive, or hazardous waste was generated during the year.	
E-waste (B)		
Bio-medical waste (C)		
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)		
Total (A+B + C + D + E + F + G + H)		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Since the Company operates in the retail sector through leased premises and generates only limited recyclable packaging waste and e-waste, detailed measurement of waste intensity per rupee of turnover, per PPP-adjusted turnover, or in terms of physical output is not applicable. The Company ensures that all waste generated is responsibly disposed of through authorized agencies in line with applicable regulations.	
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	No waste was recycled, re-used, or recovered by the Company, and no waste was disposed through incineration, landfilling, or other disposal operations, as all disposal is managed through authorized external agencies. Given the nature of operations from leased premises, detailed waste intensity metrics per turnover or physical output are not applicable	
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

10. 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.

11. 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			

12. 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					

13. 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.

S.No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- Compliance	Any fines /penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water withdrawal by source (in kilolitres)	The Company does not have any facilities located in areas classified as water-stress zones. All operations are conducted from leased premises (stores, offices, warehouses, and service centres) where water supply and discharge are managed by mall/property maintenance agencies. Accordingly, there is no independent measurement or reporting of water withdrawal, consumption, or discharge attributable to the Company, and all metrics remain Not Applicable for FY 2024–25 and FY 2023–24.	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)	The Company operates from leased premises (stores, offices, warehouses, and service centres), where wastewater management and treatment are carried out by mall/property maintenance agencies. The Company does not directly discharge water into surface water, groundwater, seawater, or third parties, and therefore all disclosure parameters remain Not Applicable for FY 2024–25 and FY 2023–24.	
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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.

Nil

2. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company operates in the retail sector through leased premises and does not have direct manufacturing operations. Consequently, no Scope 3 emissions were recorded for FY 2024–25 and FY 2023–24. Accordingly, Scope 3 emissions, emission per rupee of turnover, and emission intensity metrics are reported as Nil.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (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

3. With respect to the ecologically sensitive areas reported at Question 11 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 Company ensures reuse of corrugated boxes for storage in warehouses and sells remaining packaging waste (bubble wraps, paper, cartons) to authorized recyclers. Vendors are encouraged to minimize bulky packaging and adopt recyclable materials.	Reduction in packaging waste at source, enhanced reuse of materials, and responsible disposal through recyclers.
2	Energy Efficient	Operations are run from leased premises where energy efficiency measures such as LED lighting, controlled air-conditioning, and optimized use of store lighting are adopted. The Company also promotes digitization and paperless processes across offices	Reduced energy consumption, lower operational costs, and improved environmental footprint.

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

The Company has adopted a Business Continuity and Disaster Management framework to ensure operational resilience and uninterrupted customer service. By integrating physical and digital platforms through an omnichannel model, Ethos provides seamless shopping experiences across all consumer touchpoints. The loyalty program and digital initiatives, including customized brand landing pages and rich content, enhance customer engagement. While certain luxury brands restrict online sales, our digital platform showcases product information to maintain visibility. Major risks, including business continuity risks, are reviewed regularly, and mitigation measures are built into processes to safeguard operations and ensure customer trust.

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 has not identified any significant adverse environmental impacts arising from its value chain. Regular assessments are conducted to ensure that environmentally conscious practices are followed, and corrective measures are suggested wherever required. To further strengthen this, the Company is formulating an ESG Risk Framework to govern its downstream value chain, establishing minimum global standards for environmental and social risk management. This proactive approach will help avoid, reduce, and responsibly mitigate potential business and reputational risks, while also safeguarding 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	https://www.ethoswatches.com/investor-information/corporate

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 established multiple channels for communities to raise concerns and seek redressal. Grievances can be registered through the Customer Care helpline, the Investor Grievance Redressal Policy available on the Company's website, or via social media platforms such as Facebook and Instagram. All concerns received are addressed through the Company's structured grievance redressal mechanism, ensuring timely response and resolution.

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

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs/ small producers Directly from within India	During FY 2024–25 and FY 2023–24, no input materials were sourced directly from MSMEs, small producers, or from within India. As the Company is engaged in the retail of premium and luxury watches, all products are imported. Accordingly, this disclosure is not applicable to the Company.	

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

(₹ in Lakh)

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	Nil	Nil
Semi-urban	Nil	Nil
Urban	676.25	443.74
Metropolitan	159.50	195.99

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 Lakh)
1	Andhra Pradesh	Ananthapuramu	42.27
2	Maharashtra	Amravati	15.57
3	Rajasthan	Rajsamand	18.98
4	Rajasthan	Alwar	2.43
5	Maharashtra	Dharashiv	17.74
6	Maharashtra	Latur	1.34
7	Madhya Pradesh	Gwalior	8.00

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
1.	'ETHOS' trademark	Acquired	No	No

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	219*	100%
2	Health Care, including Preventive Health Care	277	100%
3	Traditional Art and Handicrafts	30	100%

*Number of Household

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 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	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

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

Benefits	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 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	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of Essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	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 were no instances during FY 2024–25 relating to advertising, delivery of essential services, cybersecurity or data privacy breaches, product recalls, or any penalties/action by regulatory authorities on product/service safety. Accordingly, no corrective actions were required.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches: NIL
   b. Percentage of data breaches involving personally identifiable information of customers: NIL
   c. Impact, if any, of the data breaches: N.A.

Leadership Indicators

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

Platform Type	Channels	Link
Ethos Website	Official Website	https://www.ethoswatches.com/
Social Media	Instagram	https://www.instagram.com/officiallyethos/
	Facebook	https://www.facebook.com/Ethos.Watch.Boutiques/
	YouTube	https://www.youtube.com/@Ethosofficial
	Linkedin:	https://www.linkedin.com/company/ethosofficial/
E-commerce	Platforms	Tata Cliq, Ajio, Nykaa Fashion, Amazon India, Myntra
Ethos App	Android	https://play.google.com/store/apps/details?id=com.ethoswatches.app&hl=en_IN
	iOS	https://apps.apple.com/in/app/ethos-watches/id6462850321

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

   The Company informs and educates consumers about the safe and responsible usage of its products through communication channels and direct guidance at the time of sale, particularly where any product-specific risks are involved.

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

   The Company maintains and regularly updates a catalogue of products across its website and physical stores, with high-demand items highlighted. Customers are also provided with personalised updates to keep them informed of any potential risk of disruption or discontinuation of essential services

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, In addition to the information mandated under local laws, the Company provides enhanced product details to enrich consumer experience. This includes comprehensive product attributes, high-quality images, detailed descriptions, and videos to help customers make informed choices.

5. 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, The Company did not conduct any formal consumer satisfaction surveys during FY 2024–25.

Annexure - 7

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 2024-25 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)	40.1	10.0%
Mr. Anil Khanna	Independent Director	1.16	Nil
Mr. Sundeep Kumar	Independent Director	0.51	Nil
Mr. Dilpreet Singh	Independent Director	0.51	Nil
Mr. Chitranjan Agarwal	Non - Independent and Non - Executive Director	0.84	Nil
Mrs. Munisha Gandhi	Independent (Woman) Director	0.77	Nil
Mr. Charu Sharma	Independent Director	0.30	Nil
Mr. Pranav Shankar Saboo	Managing Director and Chief Executive Officer (KMP)	108.6	0%
Mr. Yogen Khosla*	Independent Director	0.21	Nil
Mr. Manoj Subramanian**	Executive Director (KMP)	31.6	9.9%
Mr. Munish Gupta	Chief Financial Officer (KMP)	Not Applicable	0%
Mr. Shubham Kandhway^	Company Secretary and Compliance Officer (KMP)	Not Applicable	0%
Mr. Anil Kumar^^	Company Secretary and Compliance Officer (KMP)	Not Applicable	47.4%

*Mr. Yogen Khosla resigned as an Independent Director of the Company with effect from March 6, 2025.

**Mr. Manoj Subramanian resigned as Whole time Director with functional designation of Executive Director (KMP) with effect from March 31, 2025.

^Mr. Shubham Kandhway was appointed as the Company Secretary and Compliance Officer (KMP) of the Company with effect from February 14, 2025.

^^Mr. Anil Kumar resigned from the post of Company Secretary and Compliance Officer (KMP) of the Company with effect from January 31, 2025.

Notes:

1. 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.

2. During the financial year 2024-25, the average increase in the remuneration was **10.87%**.

3. The percentage increase in the median remuneration of employees other than managerial personnel in the financial year 2024-25 was **9.3%**.

4. Average percentage increase made in the salaries of employees other than the key managerial personnel in the financial year was **10.63%** whereas the increase in the key managerial personnel remuneration was **23%**. The increase in remuneration is as per the policy of the Company.

5. There were **780** permanent employees on the roll of Company as at March 31, 2025. This excludes **30** contractual employees as at March 31, 2025.

6. The remuneration is as per the Nomination and Remuneration Policy of the Company.

7. 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 8

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025

[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

I 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, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2025 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:

I 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 31stMarch, 2025 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;

(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

(n) The Workmen's Compensation act, 1923

(o) Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013

(p) The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)

(q) The Environment (Protection) Act, 1986

(r) Conservations of Foreign Exchange and Prevention of Smuggling Activities Act, 1974

(s) The Indian Copyright Act, 1957

(t) The Patents Act, 1970

(u) The Trade Marks Act, 1999

(v) Goods & Services Tax Act, 2017

(w) Other Miscellaneous Acts and rules as applicable

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by "The Institute of Company Secretaries of India"

(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)

I further report that

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 and these changes were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the board meeting, agenda were sent at least seven days in advance and system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaning full participation at the meeting; and

All decisions at the board meetings and committee meetings are carried out unanimously or with requisite majority as recorded in the minutes of meeting of the board of directors or committees of the board, as the case may be.

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.

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.

VISHAL ARORA
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645
UDIN: F004566G000978154
PEER REVIEW NO.: 1219/2021

PLACE: CHANDIGARH
DATE: August 11, 2025

"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.

VISHAL ARORA
COMPANY SECRETARY
FCS NO. 4566
CP NO.3645
UDIN: F004566G000978154
PEER REVIEW NO.: 1219/2021

PLACE: CHANDIGARH
DATE: August 11, 2025

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
Ethos Limited
(CIN - L52300HP2007PLC030800)
Plot No. 3 Sector-III, Parwanoo,
Himachal Pradesh - 173220, India

1. We have been approached by **Ethos Limited** (''the Company'') to examined the compliance of conditions of corporate governance by the Company for the year ended March 31, 2025 as stipulated in Regulation 17 to 27, 34(3), clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. Management's Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

3. Our Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2025.

5. Disclaimer

This Report is neither an assurance as to the future viability of the Bank/Company nor the efficiency or effectiveness with which the management has conducted the affairs.

Jaspreet Dhawan & Associates.
Company Secretaries

(Jaspreet Singh Dhawan)
Proprietor
M No: FCS – 9372
CP No.: 8545
Peer Review No: 1335/2021
UDIN: F009372G000995500

Date: August 14, 2025
Place: Mohali

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
Ethos Limited
CIN: L52300HP2007PLC030800
PLOT NO. 3, SECTOR-III, PARWANOO,
HIMACHAL PRADESH - 173220, INDIA

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, Himachal Pradesh -173220, 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) 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 March 31, 2025 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.	Name of the Director	Director Identification Number (DIN)	Initial date of appointment
1	Mr. Yashovardhan Saboo	00012158	05.11.2007
2	Mr. Pranav Shankar Saboo	03391925	18.01.2024
3	Mr. Anil Khanna	00012232	05.11.2007
4	Mrs. Munisha Gandhi	09684474	27.09.2022
5	Mr. Charu Sharma	02276310	03.11.2022
6	Mr. Sundeep Kumar	02750717	06.10.2016
7	Mr. Dilpreet Singh	03042448	09.04.2018
8	Mr. Mukul Krishan Khanna	10939041	14.02.2025
9	Mr. Chitranjan Agarwal*	00095715	01.04.2022
10	Mr. Manoj Subramanian**	10458966	18.01.2024

*Mr. Chitranjan Agarwal resigned from the Directorship of the company w.e.f. 15.04.2025

**Mr. Manoj Subramaniam resigned from the Directorship of the company w.e.f. 31.03.2025

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 Dhawan & Associates.
Company Secretaries

(Jaspreet Singh Dhawan)
Proprietor
M No: FCS – 9372
CP No.: 8545
Peer Review No: 1335/2021
UDIN: L52300HP2007PLC030800

Date: August 14, 2025
Place: Mohali

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, Pranav Shankar Saboo, Managing Director and Chief Executive Officer 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, 2025.

For Ethos Limited

Pranav Shankar Sabooo
Managing Director and Chief Executive Officer
DIN : 03391925

Place : Gurugram
Date : August 14, 2025

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, Pranav Shankar Saboo, Managing Director & Chief Executive Officer 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, 2025 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

Pranav Shankar Saboo
Managing Director & Chief Executive Officer
DIN – 03391925

Munish Gupta
Chief Financial Officer

Date : May 5, 2025
Place : Gurugram

Independent Auditor's Report

To the Members of **Ethos Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Ethos Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
1. Existence and valuation of inventories Refer note 2.2(e) to the accompanying standalone financial statements for material accounting policy information on inventories and Note 11 for details of inventories as at 31 March 2025. The total value of inventories as at 31 March 2025 amount to INR 59,267 lakhs, representing 42% of the total assets of the Company. The inventories primarily comprise of luxury watches, which are stored across various retail outlets and third-party locations situated nationwide and valued at cost and net realisable value ('NRV''), whichever is lower, in accordance with the principles of Ind AS 2, "Inventories" ('Ind AS 2'). The Company conducts periodic physical verification as part of its physical verification plan. However, given the multiple locations, high value of such watches, there is an inherent risk of loss, including theft, which requires significant attention and audit efforts to obtain comfort on existence of such inventories. While assessing the provision for slow-moving or obsolete inventory management applies significant judgements and estimates, such as age of the products, past sales trend, future sales volumes of such brands, potential brand discontinuance, changing consumer demands and fashion trends.	Our audit procedures in relation to the existence and valuation of inventories included, but was not limited to, the following: • Obtained an understanding of the management's process of physical verification and safeguarding of inventories, identifying slow-moving or obsolete inventory and NRV assessment and evaluated the appropriateness of related accounting policy for provision and valuation of inventories as per Ind AS 2; • Evaluated the design and tested the operating effectiveness of management's key internal controls, including general and specific information technology controls over physical verification and valuation of inventories; • On a sample basis, inspected management's inventory counts records and further observed physical verification conducted by the management and performed independent test counts including testing the roll-forward/roll-backward workings where required for locations selected based on materiality and risk considerations; • Obtained ageing of inventories and tested the ageing, on sample basis;

Key audit matters	How our audit addressed the key audit matters
Owing to significance of carrying amount of inventories and significant management judgement and estimates involved, existence and valuation of inventories has been considered as a key audit matter during the current year audit.	• Understood, assessed and challenged the assumptions and reliability of information used by the management while estimating inventory provision by comparing carrying value of inventories with sales price during the year or subsequent to year end, past sale trend, analysis of inventory items by category and age and inquiries with key members of finance and procurement/brand team to understand plans for discontinuance, to ensure such judgements and assumptions are appropriate and supportable and are in line with our understanding of the business and industry conditions; and • Evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements in accordance with applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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; and
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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 Matter

15. The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor, S.R. Batliboi & Co. LLP, Chartered Accountants, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 13 May 2024.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the **Annexure I** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. Further to our comments in **Annexure I**, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in **Annexure II** wherein we have expressed an unmodified opinion; and

    h) 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, as detailed in note 35(i) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45(5) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 45(6) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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 as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2025.

vi. As stated in note 48 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level for the period 1 April 2024 to 7 August 2024 for certain tables to log any direct data changes. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered, other than the consequential impact of the exception given above. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 25504774BMIDLS3218

Place: Gurugram
Date: 5 May 2025

Annexure I referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Ethos Limited on the standalone financial statements for the year ended 31 March 2025

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 report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work in progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work in progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) As disclosed in Note 32(iii) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) The Company has not provided security or granted advances in the nature of loans to companies, firms and limited liability partnerships during the year. Further, the Company has made investments, provided guarantee and loans to companies or any other parties during the year, in respect of which:

(a) The Company has provided loans and guarantee to Joint Venture and Others during the year as per details given below:

Particulars	Guarantee	Loans
Aggregate amount provided/ granted during the year (Rs.):		
- Joint venture	490.00	-
- Others (Employees)	-	7.77
Balance outstanding as at balance sheet date (Rs.):		
- Joint venture	271.34	-
- Others (Employees)	-	4.68

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not given any security or granted any advances in the nature of loans during the year.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such other parties.

(e) The Company has not granted any loans or advances in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been considered as deemed deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing 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 material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for those reported in I-A.

Name of the statute	Nature of the dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates*	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	65.77	20.46	2014-18	Commissioner (Appeals)
Goods and Services Tax Act, 2017	GST	57.40	3.27	2017-19	Appellate Tribunal
Goods and Services Tax Act, 2017	GST	1,237.83	25.34	2017-22	Commissioner Appeal
Goods and Services Tax Act, 2017	GST	88.80	-	2020-21	High Court
Goods and Services Tax Act, 2017	GST	362.39	2.68	2019-21	Joint Commissioner (Appeal)
Income Tax Act, 1961	Income Tax	527.77	204.66	2012-15, 2017-18, 2019-21, 2022-23	Commissioner of Income Tax (Appeals)

***Note:** All the period mentioned above are financial year except for Income Tax Act, 1961 which are in Assessment years.

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) In our opinion and according to the information and explanations given to us and 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, associates or joint venture

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Further, in our opinion and according to the information and explanations given to us, money raised towards the end of previous year by way of initial public offer were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management 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 indicating 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 25504774BMIDLS3218

Place: Gurugram
Date: 5 May 2025

Annexure II Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Ethos Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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') ("the Guidance Note"). 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 the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 financial statements .

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to 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 financial statements include 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 Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 25504774BMIDLS3218

Place: Gurugram
Date: May 05, 2025

Standalone Balance Sheet as at March 31, 2025

All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,720.70	6,258.95
Capital work-in-progress	3	2,981.35	701.79
Intangible assets	4	4,297.72	4,111.13
Right-of-use assets	36	25,005.71	12,541.03
Intangible assets under development	4	3.50	154.47
Financial assets			
- Investments	5	4,593.93	3,011.45
- Loans	6	-	1.70
- Other financial assets	7	2,531.69	2,816.99
Non-current tax assets (net)	8	168.09	206.61
Deferred tax assets (net)	9	1,005.33	896.65
Other non-current assets	10	1,022.79	357.77
Total non-current assets		**51,330.81**	**31,058.54**
Current assets			
Inventories	11	59,267.06	43,969.18
Financial assets			
- Trade receivables	12	1,825.95	1,557.19
- Cash and cash equivalents	13	2,491.14	5,942.15
- Other bank balances	14	18,741.38	28,181.02
- Loans	6	4.68	23.73
- Other financial assets	7	1,131.62	2,161.47
Other current assets	15	4,817.90	4,144.31
Total current assets		**88,279.73**	**85,979.05**
Total Assets		**1,39,610.54**	**1,17,037.59**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	2,448.04	2,448.04
Other equity	17	95,560.43	85,748.40
Total equity		**98,008.47**	**88,196.44**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	-	188.16
- Lease liabilities	36	23,550.25	11,100.65
- Other financial liabilities	19	-	34.59
Employee benefit obligations	20	280.12	241.74
Total non-current liabilities		**23,830.37**	**11,565.14**
Current liabilities			
Financial liabilities			
- Borrowings	18	178.19	459.04
- Lease liabilities	36	4,041.27	2,731.21
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	21	256.29	265.95
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	8,626.15	9,566.70
- Other financial liabilities	19	2,281.68	2,355.07
Other current liabilities	22	1,921.87	1,420.79
Employee benefit obligations	20	466.25	449.55
Current tax liabilities (net)		-	27.70
Total current liabilities		**17,771.70**	**17,276.01**
Total liabilities		**41,602.07**	**28,841.15**
Total Equity and Liabilities		**1,39,610.54**	**1,17,037.59**
Summary of material accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements.			

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Yashovardhan Saboo
Chairman and Managing Director
DIN 00012158

Anil Khanna
Independent Director
DIN 00012232

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Standalone Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	23	1,25,162.71	99,792.59
Other income	24	2,488.68	2,216.77
Total Income (I)		**1,27,651.39**	**1,02,009.36**
Expenses			
Purchase of stock-in-trade		1,02,965.61	79,764.48
Changes in inventory of stock-in-trade	25	(15,297.88)	(9,981.89)
Employee benefits expense	26	8,406.68	6,890.06
Finance costs	27	1,940.25	1,596.55
Depreciation and amortization expense	28	6,291.06	4,806.51
Other expenses	29	10,190.38	8,075.70
Total expenses (II)		**1,14,496.10**	**91,151.41**
Profit before tax (III= I-II)		**13,155.29**	**10,857.95**
Tax expense, comprising			
- Current tax	30	3,434.06	2,776.00
- Deferred tax credit	30	(104.18)	(47.26)
Total tax expense (IV)		**3,329.88**	**2,728.74**
Profit for the year (V= III-IV)		**9,825.41**	**8,129.21**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement of loss on defined benefit plans		(17.89)	(13.47)
- Income tax relating to items that will not be re-classified to profit and loss		4.50	3.39
Total other comprehensive loss for the year, net of tax		**(13.39)**	**(10.08)**
Total comprehensive income for the year, net of tax		**9,812.02**	**8,119.13**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	31		
Basic (Rs.)		40.14	34.14
Diluted (Rs.)		40.14	34.14
Summary of material accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements.			

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Yashovardhan Saboo
Chairman and Managing Director
DIN 00012158

Anil Khanna
Independent Director
DIN 00012232

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Standalone Statement of cash flows for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. OPERATING ACTIVITIES		
Profit before tax	13,155.29	10,857.95
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	6,291.06	4,806.51
Write off / loss on sale of property, plant & equipment	21.26	8.87
Profit on Sale of property, plant & equipment (net)	54.18	(55.76)
Share of profit in partnership firm	(88.29)	(103.08)
Interest expense	1,923.29	1,593.89
Interest income	(2,156.26)	(1,806.81)
Provisions/liabilities no longer required written back	(74.71)	(165.80)
Unrealized foreign exchange (gain)	(14.50)	(46.36)
Allowance for doubtful debts/(written back)	2.71	1.26
Fair value gain on investments carried at fair value through profit or loss	(42.53)	(22.16)
Change in fair value of derivative contracts	13.43	-
Gain on termination of lease contracts	(112.28)	(9.18)
Allowance for doubtful advances/recoverable	107.14	-
Advances / deposits / Bad debts written off	22.98	39.40
Cash generated from operations before working capital changes	**19,102.77**	**15,098.73**
Movements in working capital:		
Decrease in loans	20.75	5.52
(Increase) in other financial assets	(510.83)	(510.51)
(Increase)/ Decrease in other assets	(775.55)	760.20
(Increase) in inventories	(15,297.88)	(9,981.89)
(Increase) in trade receivables	(294.45)	(959.21)
Increase in employee benefit obligations	37.19	114.20
(Decrease) / Increase in trade payables	(936.29)	176.84
(Decrease) / Increase in other financial liabilities	(573.17)	1,019.43
Increase in other current liabilities	576.38	108.38
Cash flow from operations	**1,348.92**	**5,831.69**
Income tax paid (net)	(3,423.24)	(2,723.08)
Net cash (used in) / generated from operating activities (A)	**(2,074.32)**	**3,108.61**
B. INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (including intangible assets, capital work in progress, intangible assets under development and capital advances)	(7,718.41)	(3,825.16)
Proceeds from sale of property, plant and equipment	595.04	788.31
Payment towards purchase of non current investments	(972.54)	(2,074.38)
Share of profit received from partnership firm		
Investment in bank deposits (having original maturity of more than three months)	10,261.63	(8,370.16)
Interest received	2,289.01	1,163.50
Net cash generated from / (used in) investing activities (B)	**4,454.73**	**(12,317.89)**
C. FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including premium)	-	17,499.82
Share issue expenses	-	(540.18)
Repayment of non-current borrowings	-	(107.95)
Proceeds from/repayments of other current borrowings (net)	(469.01)	(43.87)
Payment of principal portion of lease liabilities	(3,389.55)	(2,814.86)
Interest paid on lease liabilities	(1,824.71)	(1,511.36)
Interest expense paid	(148.15)	(31.58)
Net cash (used in) / generated from financing activities (C)	**(5,831.42)**	**12,450.02**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,451.01)**	**3,240.74**
Cash and cash equivalents at the beginning of the year	**5,942.15**	**2,701.41**
Cash and cash equivalents at the end of the year	**2,491.14**	**5,942.15**

Standalone Statement of cash flows for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Notes :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Cash and cash equivalents include :		
Balance with banks in current accounts	1,017.49	2,203.58
Cheques and drafts on hand	23.71	-
Cash on hand	266.55	245.68
Credit cards receivable	283.39	339.89
Fixed Deposits with original maturity of less than three months	900.00	3,153.00
Cash and cash balance at the end of the year (Refer Note 13)	**2,491.14**	**5,942.15**

2. 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.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Yashovardhan Saboo
Chairman and Managing Director
DIN 00012158

Anil Khanna
Independent Director
DIN 00012232

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Statement of Changes in Equity for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

a. Equity share capital

Particulars	Note	Number	Amount
Balance as at April 01, 2023		**2,33,49,233**	**2,334.92**
Issue of share capital during the year		11,31,210	113.12
Balance as at March 31, 2024	16	**2,44,80,443**	**2,448.04**
Issue of share capital during the year		-	-
Balance as at March 31, 2025	16	**2,44,80,443**	**2,448.04**

b. Other Equity

Particulars	Deemed capital contribution	Reserves and surplus			Total
		Capital reserve	Securities premium	Retained earnings	
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)
Total comprehensive income for the year	**-**	**-**	**-**	**8,119.13**	**8,119.13**
- Issue of equity shares for cash *	-	-	16,846.52	-	16,846.52
Balance as at March 31, 2024	**50.51**	**1.67**	**68,394.83**	**17,301.40**	**85,748.41**
- Profit for the period	-	-	-	9,825.41	9,825.41
- Other comprehensive (loss) (net of tax)	-	-	-	(13.39)	(13.39)
Total comprehensive income for the period	**-**	**-**	**-**	**9,812.02**	**9,812.02**
Balance as at March 31, 2025	**50.51**	**1.67**	**68,394.83**	**27,113.42**	**95,560.43**

Note: For description of the purposes of each reserve within equity, refer note 17 of consolidated/standalone financial statements.

* 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 **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Yashovardhan Saboo
Chairman and Managing Director
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Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ 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 05, 2025.

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, 2025

(All amounts in ₹ 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.

The management basis its past experience and technical assessment has estimated the useful lives, which is at variance with the life prescribed in Schedule II to the Companies Act, 2013 and has accordingly, depreciated the assets over such useful lives.

Categories	Years
Buildings	20
Building on leased land	Lease term or 20 years, whichever is less
Leasehold improvements	Lease term or 20 years, whichever is less
Plant & equipment	3 - 5
Office equipments	2 - 3
Furniture & fixtures	3 - 5

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 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 specific identification, 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.

During the current year, the management has decided to change the method of valuation of inventory from weighted average cost method to specific identification with effect from 1 June 2024 . Accordingly, all the purchases made post 1 June 2024 has been valued on item-by-item basis. As per the assessment of the management change is not having material impact on the financial statement.

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

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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.

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.

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(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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 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.

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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 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.

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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 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 10 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

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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 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.

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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 FVTOCI debt instrument is reported as interest income using the EIR method.

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 impairment methodology of the company depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss is used to provide for impairment loss, otherwise lifetime expected credit loss is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The presumption under Ind As 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Company, as the Company is able to collect a significant portion of its receivables that exceed the due date.

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.

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.

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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.

The Company holds Derivative financial instruments are initially recognized at fair value on the date the contract is entered into and are subsequently remeasured at fair value at each reporting date. All derivatives are classified as held for trading and are accounted for at fair value through profit or loss (FVTPL), unless they are designated and effective as hedging 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.

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 recognized 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.

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its financial statements

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, 2025 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 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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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, 2025

(All amounts in ₹ 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
Gross carrying amount (at deemed cost/ cost)							
Balance as at April 01 2023	3,422.09	376.12	2,780.28	545.42	921.95	8,045.86	401.45
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)
Balance as at March 31, 2024	**4,335.95**	**401.58**	**3,750.85**	**767.10**	**826.81**	**10,082.29**	**701.80**
Additions during the period	2,007.47	266.33	2,068.56	494.01	742.09	5,578.46	6,708.83
Disposals/Capitalisation during the period	(484.67)	-	(196.53)	(94.99)	(394.96)	(1,171.15)	(4,429.28)
Balance as at March 31, 2025	**5,858.75**	**667.91**	**5,622.88**	**1,166.12**	**1,173.94**	**14,489.60**	**2,981.35**
Accumulated Depreciation							
Balance as at April 01 2023	1,498.97	35.82	846.95	238.03	148.30	2,768.07	
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)	
Balance as at March 31, 2024	**2,041.88**	**63.34**	**1,222.03**	**383.35**	**112.74**	**3,823.34**	
Depreciation charge for the period	786.66	48.39	582.23	216.13	113.03	1,746.44	
Accumulated depreciation on disposals	(484.67)	-	(183.55)	(56.32)	(76.34)	(800.88)	
Balance as at March 31, 2025	**2,343.87**	**111.73**	**1,620.71**	**543.16**	**149.43**	**4,768.90**	
Net carrying amount							
At March 31, 2024	**2,294.07**	**338.24**	**2,528.82**	**383.75**	**714.07**	**6,258.95**	**701.80**
At March 31, 2025	**3,514.88**	**556.18**	**4,002.17**	**622.96**	**1,024.51**	**9,720.70**	**2,981.35**

Notes:

a. Refer note 35 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c. 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, 2025	As at March 31, 2024
Opening balances brought forward	**32.62**	**41.85**
Rent	126.95	59.79
Interest on lease liability	670.66	-
Depreciation on ROU	719.73	-
Power and fuel	9.48	2.62
Rates and taxes	17.82	8.80
Repair and maintenance - Others	70.00	10.30
Legal and professional fees	56.78	5.47
Salary	303.10	-
Sub Total	**2,007.14**	**128.83**
Less: Allocated to property, plant and equipment	(363.07)	(96.21)
Closing balance included under Capital Work in Progress	**1,644.07**	**32.62**

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2025	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress*	2,959.66	21.68	-	-	2,981.34
Projects temporarily suspended	-	-	-	-	-
Total	**2,959.66**	**21.68**	**-**	**-**	**2,981.34**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

3. Property, plant and equipment and capital work-in-progress (Contd..)

As at March 31, 2024	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress*	698.97	2.82	-	-	701.79
Projects temporarily suspended	-	-	-	-	-
Total	**698.97**	**2.82**	**-**	**-**	**701.79**

* Capital work in progress is primarily 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 ended 2024-25 and 2023-24.

4. Intangible assets and Intangible assets under development

Particulars	Brand**	Business Intelligence and Application*	Website	Computer Softwares	Total	Intangible assets under development
Gross carrying amount (at deemed cost/ cost)						
Balance as at April 01, 2023	4,017.00	51.14	41.90	56.30	4,166.34	-
Additions during the year	-	60.73	-	-	60.73	215.20
Disposals/Capitalisation during the year	-	-	-	-	-	(60.73)
Balance as at March 31, 2024	**4,017.00**	**111.87**	**41.90**	**56.30**	**4,227.07**	**154.47**
Additions during the year	-	245.23	-	3.10	248.33	57.95
Disposals/Capitalisation during the period	-	(55.44)	-	(36.30)	(91.74)	(208.92)
Balance as at March 31, 2025	**4,017.00**	**301.66**	**41.90**	**23.10**	**4,383.66**	**3.50**
Accumulated Amortisation						
Balance as at April 01, 2023	-	29.79	27.98	37.92	95.69	
Amortisation for the year	-	9.39	7.00	3.86	20.25	
Accumulated amortisation on disposals	-	-	-	-	-	
Balance as at March 31, 2024	**-**	**39.18**	**34.98**	**41.78**	**115.94**	
Amortisation for the period	-	50.07	6.92	3.93	60.92	
Accumulated amortisation on disposals	-	(55.43)	-	(35.49)	(90.92)	
Balance as at March 31, 2025	**-**	**33.82**	**41.90**	**10.22**	**85.94**	
Net carrying amount						
At March 31, 2024	**4,017.00**	**72.69**	**6.92**	**14.52**	**4,111.13**	**154.47**
At March 31, 2025	**4,017.00**	**267.84**	**-**	**12.88**	**4,297.72**	**3.50**

* includes ERP and Business Centre (BC) accounting software

Note:

a. Refer note 35 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

b. All the above intangible are acquired intangibles except Business Intelligence of Rs. 61.37 (Net Value : 14.72) { 31 March 2024 : Rs. 60.17 (Net value Rs. 23.55)}

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2025	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	3.50	-	-	-	3.50
Projects temporarily suspended	-	-	-	-	-
Total	**3.50**	**-**	**-**	**-**	**3.50**

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

4. Intangible assets and Intangible assets under development (Contd..)

As at March 31, 2024	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	154.47	-	-	-	154.47
Projects temporarily suspended	-	-	-	-	-
Total	**154.47**	**-**	**-**	**-**	**154.47**

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2024-25 and 2023-24.

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. 4,017.

The Company performed its annual impairment test for the year ended March 31, 2025. The recoverable amount of Intangible Asset (Brand) as at March 31, 2025 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, 2025	As at March 31, 2024
i) Discount Rate [(a)]	10.00%	10.00%
ii) Growth Rate [(b)]	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 March 31, 2025	As at March 31, 2024
Non-current investment		
(Investment carried at equity method of accounting)		
Subsidiary:		
Unquoted investment		
- Cognition Digital LLP, Partnership firm (at Cost) (a)	42.94	42.94
- Ethos Lifestyle Private Limited (at cost), 60,00,000 equity shares (March 31, 2024: 10,00,000) of Rs. 10 each fully paid up (c)	600.00	100.00
- Share of profit receivable from Partnership firm	627.38	539.09
	1,270.32	**682.03**
In equity shares of Associate:		
Unquoted, fully paid up		
- Silvercity Brands AG (at Cost), 24,46,000 (March 31, 2024: 21,00,000) equity shares of CHF 1 each fully paid up (b)	2,871.16	1,919.50

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

5. Investments^ (Contd..)

Particulars	As at March 31, 2025	As at March 31, 2024
In equity shares of Joint venture:		
Unquoted, fully paid up		
- Pasadena Retail Private Limited (at Cost) 27,50,000 equity shares of Rs. 10 each fully paid up (d)	275.00	275.00
Other Investment		
(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.(e)	177.45	134.92
	4,593.93	**3,011.45**
Aggregate value of unquoted investments	4,593.93	3,011.45

^ Refer Note 40

a) Investment in Congnition Digital LLP

As at March 31, 2025	Total capital contribution	Share %
Partners:		
- Company	42.94	99.99
- Mr. Pranav Shankar Saboo (beneficial owner is Company)	-	0.01
	42.94	**100.00**

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
	42.94	**100.00**

b) During the year ended March 31, 2024, 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 of the Company with effect from March 11, 2024. Henceforth, Silvercity Brands AG has been identified as an associate of the Company as on March 31, 2024. During the year ended March 31, 2025, the Company invested Rs. 951.66 to acquire 3,46,000 shares of nominal value of CHF 1 each out of 12,20,000 shares allocated by Silvercity Brands AG, resulted into further reduction of shareholding to 33.88%.

c) The Company has incorporated a wholly owned subsidiary, namely Ethos Lifestyle Private Limited (formerly knows as RF Brands Private Limited) on February 02, 2024 in accordance with the provisions of Companies Act, 2013 read with rules made thereunder. During the year ended March 31, 2025, the Company has invested an amount of Rs 500 (March 31, 2024: 100) in its paid up share capital by subscribing to 50,00,000 (March 31, 2024: 10,00,000) equity shares of Rs. 10 each.

d) During the year ended March 31, 2024, 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 having 50% shareholding (March 31, 2024: 50%) in Pasadena Retail Private Limited.

e) During the year ended March 31, 2024, 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.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

6. Loans* (at amortised cost)

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
(unsecured, considered good)		
Loan to employees		
- to related party** (refer note no. 37)	-	0.70
- to others,	-	1.00
	-	**1.70**

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
(unsecured, considered good)		
Loan to employees		
- to related party (refer note no. 37)	-	7.48
- to others	4.68	16.25
	4.68	**23.73**

*The Company's exposure to credit and currency risk, and loss allowances related to other non current financial assets are disclosed in note 32.

** represents loan to whole time director.

7. Other financial assets (at amortised cost)

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	2,531.47	1,992.44
Fixed Deposits with remaining maturity of more than 12 months from the Balance sheet date#	0.21	822.20
Interest accrued but not due on fixed deposits.	0.01	2.35
	2,531.69	**2,816.99**

These deposits include restricted bank deposits amounting to Nil (March 31, 2024 : Rs.821.99) on account of deposits pledged as security for bank guarantees, security for cash credit facilities and earmarked against deposit from shareholders.

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Security deposits	607.46	744.30
Right of return assets	1.77	21.31
Interest accrued but not due on fixed deposits*	476.31	819.69
Advances Recoverable		
- to related parties (refer note no. 37)	51.08	99.53
- to others.	-	176.42
Others **	-	300.22
Less: Allowance for bad and doubtful advances recoverable		
- Security deposit	(5.00)	-
	1,131.62	**2,161.47**

* Includes interest on unutlised Proeeds from Initial Public Offer (IPO) received amounting to Rs. 1.34 (March 31, 2024: Rs. 2.50) which have been temporarily invested in deposits with scheduled banks. Refer note 46.

And also includes interest on unutilised proceeds from Qualified institutional placement (QIP) received amounitng to Rs. 245.20 (March 31, 2024: 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.

** represents consideration receivable towards sale of vehicle.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

8. Non-current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current tax assets (net of provision)	168.09	206.61
	168.09	**206.61**

9. Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Significant components of the Company's net deferred tax assets are as follows:		
Deferred tax assets	7,416.56	3,883.56
Deferred tax liabilities	(6,411.23)	(2,986.91)
Net deferred tax assets	**1,005.33**	**896.65**

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Year ended March 31, 2025				
Deferred tax assets:				
Deferred tax assets on				
Property, plant and equipment and Intangible assets	171.10	(50.00)	-	121.10
Allowance for doubtful debts and advances	5.08	26.39	-	31.47
Provision for employee benefits	192.45	19.11	4.50	216.06
Provision - other expenses	34.85	50.74	-	85.59
Lease liabilities	3,470.91	3,473.34	-	6,944.25
Tax losses carried forward	-	-	-	-
Others #	9.17	8.92	-	18.09
Deferred tax liability on				
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)	(10.70)		(16.28)
Right of use assets	(2,974.05)	(3,413.62)		(6,387.67)
Net deferred tax assets	**896.66**	**104.18**	**4.50**	**1,005.34**

#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
Year ended March 31, 2024				
Deferred tax assets:				
Deferred tax assets on				
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
Tax losses carried forward	-	-	-	-
Others #	5.55	3.62		9.17
Deferred tax liability on				
Claim receivable taxable on receipt basis under Income tax Act	(7.27)			(7.27)
Gain on investments carried at fair value through profit and loss		(5.58)		(5.58)
Right of use assets	(2,457.30)	(516.75)		(2,974.05)
Net deferred tax assets	**846.01**	**47.26**	**3.39**	**896.66**

Include primarily deposits amortisation and interest income thereon as per Ind AS 109.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

10. Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Capital advances	965.93	295.73
Advances other than capital advances		
- Prepaid expenses	7.38	6.47
- CENVAT credit receivable	49.48	55.57
	1,022.79	**357.77**

11. Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
(At lower of cost and net realisable value)		
Stock-in-trade [including goods-in-transit Rs.67 (March 31, 2024: Rs.97.66)]	59,267.06	43,969.18
	59,267.06	**43,969.18**

Notes:-

1. As on March 31, 2025, Rs.135.21 (March 31, 2024: Rs.132.44) was recognised as an expense for inventories carried at net realisable value.

2. Inventories comprises of traded goods are valued at the lower of cost and net realisable value.

   The cost of inventories is based on the specific identification, 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.

   During the current year, the management has decided to change the method of valuation of inventory from weighted average cost method to specific identification with effect from 1 June 2024 . Accordingly, all the purchases made post 1 June 2024 has been valued on item-by-item basis. As per the assessment of the management change is not having material impact on the financial statement.

12. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Trade receivables #		
- Related parties (Refer note no 37)	105.00	94.79
- Others	1,720.95	1,462.40
	1,825.95	**1,557.19**

Break-up of trade receivables:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Considered good	1,825.95	1,557.19
Credit impaired	18.39	15.68
Impairment Allowance (allowance for doubtful debts)	**1,844.34**	**1,572.87**
Credit impaired	(18.39)	(15.68)
	1,825.95	**1,557.19**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

12. Trade receivables (Contd..)

Trade receivables are non-interest bearing and generally on terms of 0 to 120 days.

There are due from Director amounting Rs. Nil (March 31, 2024: Rs. 22.14).

There are no unbilled receivables, hence the same is not disclosed in ageing schedule.

The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 32.

Trade receivables ageing schedule

As at March 31, 2025	Outstanding for following periods from date of transaction					
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	Total
Undisputed Trade Receivable considered good	1,815.00	0.47	0.19	10.29	-	1,825.95
Undisputed Trade Receivable- which have significant increase in credit risk	18.39	-	-	-	-	18.39
Total	**1,833.39**	**0.47**	**0.19**	**10.29**	**-**	**1,844.34**

As at March 31, 2024	Outstanding for following periods from date of transaction					
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	Total
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
Total	**1,483.11**	**79.47**	**10.29**	**-**	**-**	**1,572.87**

13. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks in		
- Current accounts*	1,017.49	2,203.58
- Fixed Deposits with original maturity of less than three months**	900.00	3,153.00
Cheques and drafts on hand	23.71	-
Cash on hand	266.55	245.68
Others		
- Credit cards receivable	283.39	339.89
	2,491.14	**5,942.15**

* Balance as on March 31, 2025 includes Rs. 79.72 (March 31, 2024: Rs. 59.84) balance of unutilised Initial Public Offer (IPO) proceed with monitoring agency bank account. Refer note 46.

Balance as on March 31, 2025 includes Rs. 3.67 (March 31, 2024: Rs. 0.64) balance of unutilised Qualified Institutional Placement (QIP) procced with monitoring agency bank account. Refer note 47.

These deposits include restricted bank deposits amounting to Rs.1021.60 (March 31, 2024 : Nil) on account of deposits pledged as security for bank guarantees, security for cash credit facilities and earmarked against deposits from shareholders.

** Fixed deposits include balance of Initial Public Offer (IPO) proceeds of Rs.900 (March 31, 2024: Rs. 2,603) which will be utilised as stated in the prospectus of IPO. Net unutilised proceeds from IPO as on March 31, 2025 have been temporarily invested in deposits with scheduled bank. Refer note 46.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

14. Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed Deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance sheet date #	18,741.38	28,181.02
	18,741.38	**28,181.02**

These deposits include restricted bank deposits amounting to Rs.2638.28 (March 31, 2024 : Rs. 1,024.80) 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.8,500 which will be utilised as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on March 31, 2025 have been temporarily invested in deposits with scheduled bank. Refer note 47.

15. Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	107.00	69.89
Advances for supply of goods		
- Related parties (Refer note 37)	212.71	0.35
- Others	791.01	825.57
Advances to employees		
- Related parties (Refer note 37)	40.81	-
- Others	91.06	42.99
GST credit receivable	3,478.92	3,073.61
VAT recoverable	3.40	3.40
Deposit under protest	143.37	52.53
Duty Credit Scrips	4.57	23.57
Other recoverable#	49.22	56.89
Less: Allowance for bad and doubtful advances/recoverable		
- Other recoverable	(39.60)	-
- Deposit under protest	(60.08)	-
- Advance for supply of goods	(4.49)	(4.49)
	4,817.90	**4,144.31**

mainly includes amount recoverable from insurance company.

16. Share capital

Particulars	As at March 31, 2025	
	Number of shares	Amount
Authorised		
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
	3,34,76,924	**6,140.00**
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	2,44,80,443	**2,448.04**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

16. Share capital (Contd..)

Particulars	As at March 31, 2024	
	Number of shares	Amount
Authorised		
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
	3,34,76,924	**6,140.00**
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	2,44,80,443	**2,448.04**

(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 ensuring 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, 2025	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	2,44,80,443	2,448.04
Add: Issued during the year	-	-
At the end of the year	**2,44,80,443**	**2,448.04**

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
At the end of the year	**2,44,80,443**	**2,448.04**

* During the previous 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 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.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Particulars	As at March 31, 2025	
	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)	7,54,640	75.46

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

16 . Share capital (Contd..)

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

(d) Particulars of shareholders holding more than 5% shares of the Company

Particulars	As at March 31, 2025	
	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	7,54,640	3.08%
ICICI Prudential Flexicap Fund	16,69,569	6.82%

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%

(e)

Bonus shares, shares buyback and issue of shares without consideration being received in cash (during five years immediately preceding March 31, 2025).

During the five years immediately preceding March 31, 2025 ('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:-

(i) 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.

(ii) 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) Promotors Shareholdings

Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2025		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,15,13,877	47.03%	-
2) Mahen Distribution Limited	7,54,640	3.08%	(3.72%)
3) Mr. Yashovardhan Saboo	138	0.00%	-
Total	**1,22,68,655**	**50.12%**	

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%)
Total	**1,31,78,549**	**53.83%**	

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

17. Other equity

(also refer to Statement of Changes in Equity)

(i) Deemed capital contribution

a) Includes Rs.14.51 towards fair value of guarantees given by the Holding Company in the earlier years.

b) 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) Share options outstanding account

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share option outstanding account.

(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 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.

18. Borrowings

Particulars		As at March 31, 2025	As at March 31, 2024
i) Non-current borrowings			
Term-loans			
From banks (secured)	(a)	-	20.13
Deposits from shareholders (unsecured)(refer to note 37 for related party disclosure)	(b)	178.19	627.07
Total non-current borrowings (including current maturities)		**178.19**	**647.20**
Less : Current maturities of non-current borrowings [refer to note 18 (ii)]		(178.19)	(459.04)
		-	**188.16**

Notes:

a) Vehicle loans from banks amounting to Nil (March 31, 2024: Rs.20.13) are secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loans is Nil (March 31, 2024: 7.10% to 9.25%).

b) Deposits from Shareholders carry an interest rate ranging between 10.25% to 10.75% (March 31, 2024: 10.25% to 10.75%) per annum and carry a maturity period from 6 to 12 months from the respective date of deposits.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

18. Borrowings (Contd..)

Particulars	As at March 31, 2025	As at March 31, 2024
ii) Current borrowings		
Current maturities of non-current borrowings [refer note 18(i)]	178.19	459.04
	178.19	**459.04**

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year (including current and non-current borrowings)	**647.20**	**799.02**
Repayment of non-current borrowings	-	(107.95)
Proceeds from/repayments of other current borrowings (net)	(469.01)	(43.87)
Balance as at the end of the year (including current and non-current borrowings)	**178.19**	**647.20**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**103.46**	**52.51**
Interest Expense	1,923.29	1,593.89
Interest Paid	(1,972.86)	(1,542.94)
Balance as at the end of the year	**53.89**	**103.46**

19. Other financial Liabilities

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Accrued but not due on Borrowing	-	34.59
	-	**34.59**

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
Refund Liabilities	3.50	41.25
Capital creditors	432.83	410.62
Other Payables*	479.12	-
Salaries, wages and bonus and other employee payable *	1,301.16	1,836.58
Derivative Instruments**	13.43	-
Interest accrued but not due on borrowings *	51.64	66.62
	2,281.68	**2,355.07**

* Refer note 37 for related parties disclosure

** Derivative instrment liability includes mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

20. Employee benefit obligations

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity (Refer note 34)	280.12	241.74
	280.12	**241.74**

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity (Refer note 34)	42.74	56.49
Provision for compensated absences	423.51	393.06
	466.25	**449.55**

21. Trade payables*

Particulars	As at March 31, 2025	As at March 31, 2024
- Micro enterprises and small enterprises #	256.29	265.95
- Trade payables to related parties (Refer to note 37)	88.65	255.79
- Other trade payables	8,537.50	9,310.91
	8,882.44	**9,832.65**

Trade payables ageing schedule

As at March 31, 2025	Outstanding for following periods from due date of payment					
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	235.15	21.04	0.10	-	-	256.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	908.92	7,232.20	85.97	81.53	-	8,308.62
Disputed dues of creditors other than micro enterprises and small enterprises**	-	-	16.36	4.11	297.06	317.53
Total	**1,144.07**	**7,253.24**	**102.43**	**85.64**	**297.06**	**8,882.44**

As at March 31, 2024	Outstanding for following periods from due date of payment					
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
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
Disputed dues of creditors other than micro enterprises and small enterprises**	-	-	17.08	4.89	308.07	330.04
Total	**936.81**	**8,477.17**	**105.71**	**4.89**	**308.07**	**9,832.65**

There is Rs.21.14 for March 31, 2025 (March 31, 2024: 6.11) 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.

**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.892.84 (March 31, 2024: Rs.480.54).

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

21. Trade payables* (Contd..)

Trade payables are non-interest bearing and are normally settled within 60-120 day terms.

Particulars	As at March 31, 2025	As at March 31, 2024
(a) The principal amount remaining unpaid to any supplier at the end of the year ##	329.17	374.05
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of year	3.53	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	3.53	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	-	-

Includes Rs. 72.88 (March 31, 2024: Rs.108.10) payable towards Capital creditors

* The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 32.

22. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred revenue	574.91	564.30
Statutory dues	327.62	202.00
Revenue received in advance	1,013.56	652.24
Interest payable-others*	5.78	2.25
	1,921.87	**1,420.79**

* Includes interst on delayed payment of outstanding due from Micro, Small and Medium Enterprises

Below is the movement of Deferred revenue:-

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**564.30**	**422.84**
Add: Loyalty points created during the year	1,779.94	682.55
Less: Loyalty points redeemed/expired during the year	(1,769.33)	(541.09)
Balance as at the end of the year	**574.91**	**564.30**

23. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
- Sale of goods	1,24,454.72	99,202.19
- Rendering of services	707.99	590.40
	1,25,162.71	**99,792.59**

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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

23. Revenue from operations (Contd..)

Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss with the contracted price.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contracted price	1,25,173.32	99,934.05
Less: (Creation) of loyalty points	(10.61)	(141.46)
	1,25,162.71	**99,792.59**

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from customers

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables (Refer Note No. 12)	1,825.95	1,557.19
Deferred revenue (Refer Note No. 22)	574.91	564.30
Revenue received in advance (Refer Note No. 22)	1,013.56	652.24

Movement of Revenue received in advance as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	**652.24**	**754.64**
Revenue recognised / other adjustments during the year	(576.94)	(696.46)
Customer advance written back during the year	(75.30)	(58.18)
Advance received during the year	1,013.56	652.24
Balance at the end of the year	**1,013.56**	**652.24**

In respect to advance from customers, the company expect revenue to be recognied over the period of next 1 year from reporting year

24. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income under the effective interest rate method on		
- Fixed Deposits	1,913.43	1,657.48
- Security Deposits at amortised cost	212.97	149.33
- Others	29.86	-
Share of profit in Partnership Firm	88.29	103.08
Provisions/liabilities no longer required written back	74.71	165.80
Fair value gain on investments carried at fair value through profit or loss	42.53	22.16
Profit on disposal of property, plant & equipment (Net)	-	55.76
Miscellaneous Income*	126.89	63.16
	2,488.68	**2,216.77**

*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, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	43,969.18	33,987.29
Less: Inventory at the end of the year	(59,267.06)	(43,969.18)
(Increase)/Decrease in inventory	**(15,297.88)**	**(9,981.89)**

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

26. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	7,747.76	6,396.03
Contribution to provident and other funds (Refer Note 34)	368.79	283.93
Staff welfare expenses	290.13	210.10
	8,406.68	**6,890.06**

27. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on borrowings	93.85	82.24
Interest on lease liabilities (Refer note 36)	1,824.71	1,511.36
Interest on delay in deposit of income tax	4.73	0.29
Other finance charges*	13.43	-
Other borrowing cost**	3.53	2.66
	1,940.25	**1,596.55**

*Other finance charges includes, mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks

** Includes overdue interest due on Micro Small and Medium Enterprises

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	1,746.41	1,354.77
Amortisation of intangible assets (Refer note 4)	60.92	20.25
Depreciation of Right-of-use of assets (Refer note 36)	4,483.73	3,431.49
	6,291.06	**4,806.51**

29. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	350.39	266.62
Service cost expense	592.82	455.18
Insurance	141.31	121.50
Rent (net of reimbursements of Rs. 13.20 (March 31, 2024: Rs. 25.11)) (Refer note 36)	633.04	807.77
Rates and taxes	156.25	144.82
Repair and maintenance- Others	1,123.28	901.17
Foreign exchange loss (net)	163.18	98.28
Travelling and conveyance	1,172.85	663.78
Advertisement and sales promotion (Refer note 37)	2,821.06	2,468.27
Printing and stationery	35.30	41.21
Recruitment expenses	100.27	57.05
Telephone and telex	77.27	82.00
Postage and telegram	468.99	387.80
Legal and professional fees [a]	702.92	441.81

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

29. Other expenses (Contd..)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bank charges	803.90	601.02
Allowance for bad and doubtful debts	2.71	1.26
Advances/deposits/Bad debts written off (Net)[(b)]	22.98	39.40
Loss on sale of property, plant and equipment	54.18	-
Property, plant and equipment written off	21.26	8.87
Allowance for doubtful advances/recoverable/security deposit	107.14	-
Corporate Social Responsibility expenditure (Refer note 39)	147.41	78.43
Miscellaneous expenses	491.87	409.46
	10,190.38	**8,075.70**

(a) Includes payment to auditors (excluding taxes as applicable)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor		
Statutory audit	19.00	18.00
Limited review of quarterly results**	11.00	8.50
In other capacity		
Certification work etc.* & **	5.10	7.05
Reimbursement of expenses**	1.99	1.81
	37.09	**35.36**

* Excluding Rs.nil (March 31, 2024: Rs.72.36) which are considered as part of offer expenses of issue of shares under under qualified institution placement (QIP) (Refer Note 47) in current year and initial public offer (IPO) (refer Note 46) in previous year.

** Includes Rs. 7.96 paid to previous auditor during the year ended March 31, 2025

(b) Details of Advances/deposits/Bad debts written off (Net)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bad debts / Advances written off	22.98	39.40
Less: Provision for doubtful debts / advances adjusted	-	-
	22.98	**39.40**

30. Tax expense

a) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
Current year	3,384.67	2,731.57
Changes in estimates related to prior years	49.39	44.43
	3,434.06	**2,776.00**
Attributable to–		
Deferred tax		
Origination and reversal of temporary differences	(57.53)	(2.74)
Changes in estimates related to prior years	(46.65)	(44.52)
Change in Deferred tax due to change in Income tax rate	-	-
	(104.18)	**(47.26)**
Total tax expense recognised during the year	**3,329.88**	**2,728.74**

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

30. Tax expense (Contd..)

The above tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	13,155.29	10,857.95
Tax at the Indian tax rate*	3,310.92	2,732.73
Effect of expenses that are not deductible in determining taxable profit	38.29	22.04
Effect of loss/(profit) that are exempt from tax	(22.07)	(25.94)
Effect of tax (benefit) / expense pertaining to prior years	2.74	(0.09)
Effect of increase in tax rate	-	-
Change in Deferred tax due to change in Income tax rate	-	-
Income tax expenses/(credit) recognised in statement of profit and loss	**3,329.88**	**2,728.74**

*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, 2025	For the year ended March 31, 2024
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
-Remeasurement of defined benefit obligation	4.50	3.39
Total income tax recognised in other comprehensive income	**4.50**	**3.39**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	4.50	3.39
Items that may be reclassified to profit or loss	-	-
	4.50	**3.39**

31. Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Basic earnings per share		
i Profit for basic earning per share of Rs.10 each		
Profit for the year	9,825.41	8,129.21
Less : dividend on convertible preference shares, net of tax		
	9,825.41	**8,129.21**
ii Weighted average number of equity shares for (basic)		
Opening Balance	2,44,80,443	2,33,49,233
Effect of fresh issue of shares	-	4,64,881
	2,44,80,443	**2,38,14,114**
Basic Earnings per share (face value of Rs.10 each)	40.14	34.14
B. Diluted earnings per share		
i Profit for diluted earning per share of Rs.10 each	9,825.41	8,129.21
ii Weighted average number of equity shares for diluted		
Opening Balance	2,44,80,443	2,33,49,233
Effect of fresh issue of shares	-	4,64,881
	2,44,80,443	**2,38,14,114**
Diluted earnings per share (face value of Rs.10 each)	40.14	34.14

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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, 2025			As at March 31, 2024		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets								
Non-current								
Non-derivative financial assets								
Investments	(a)	3	177.45	4,416.48	-	134.92	2,876.53	-
Loans	(b)	3	-	-	-	-	1.70	-
Other financial assets	(b)	3	-	2,531.69	-	-	2,816.99	-
Current								
Non-derivative financial assets								
Trade receivables	(c)	3	-	1,825.95	-	-	1,557.19	-
Cash and cash equivalents	(c)	3	-	2,491.14	-	-	5,942.15	-
Other bank balances	(c)	3	-	18,741.38	-	-	28,181.02	-
Loans	(c)	3	-	4.68	-	-	23.73	-
Other financial assets	(c)	2	-	1,131.62	-	-	2,161.47	-
Total financial assets			**177.45**	**31,142.94**	**-**	**134.92**	**43,560.78**	**-**
Financial liabilities								
Non-current								
Non-derivative financial liabilities								
Borrowings	(d)	3	-	-	-	-	188.16	-
Other Non current financial Liabilities	(b)	2	-	-	-	-	34.59	-
Current								
Non-derivative financial liabilities								
Borrowings (including current maturities)	(c)	3	-	178.19	-	-	459.04	-
Trade payables	(c)	3	-	8,882.44	-	-	9,832.65	-
Other financial liabilities	(c)	2	-	2,268.25	-	-	2,355.07	-
Derivative financial liabilities								
Forward contracts	(e)	2	13.43	-	-	-	-	-
Total financial liabilities			**13.43**	**11,328.88**	**-**	**-**	**12,869.51**	**-**

Notes:

(a) The fair value in respect of the unquoted equity investments has been determined using discounted cash flow method and Market comparison technique based on market multiples derived from quoted prices of companies comparable to the investee. The significant unobservable inputs used are expected cash flows, estimated EBITDA of the investee.

(b) Fair value of non-current financial assets and non- current financial liablilites has not been disclosed as there is no significant differences between carrying value and fair value.

(c) 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.

(d) 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.

(e) The fair value of derivative financial instrument has been determined using valuation techniques with market observable input. The model incorporate various input include the credit quality of counter-parties and foreign exchange forward rate.

(f) There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2025 and March 31, 2024

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

32. Financial instruments - fair values and risk management (Contd..)

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.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**15.68**	**3.91**
Provision created during the year	18.39	11.77
Provision utilised/reversed during the year	(15.68)	-
Balance as at the end of the year	**18.39**	**15.68**

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

32. Financial instruments - fair values and risk management (Contd..)

The movement in the allowance for doubtful advances/recoverable is as follows: (Refer Note 7 & 15)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**4.49**	**15.00**
Provision created during the year	99.68	-
Provision utilised/reversed during the year	-	(10.51)
Balance as at the end of the year	**104.17**	**4.49**

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs.2,491.14 as at March 31, 2025 (March 31, 2024: Rs.5,942.15). 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. During 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. 11,000 is underdrawn as on March 31, 2025.

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, 2025

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	178.19	231.26	231.26	-	-
- Trade payables	8,882.44	8,882.44	8,882.44	-	-
- Lease Liabilities	27,591.52	37,553.82	6,593.53	22,191.31	8,768.98
- Capital creditors	432.83	432.83	432.83	-	-
- Other Payables	479.12	479.12	479.12	-	-
- Salaries, wages and bonus and other employee payable	1,301.16	1,301.16	1,301.16	-	-
- Interest accrued but not due on borrowings	51.64	51.64	51.64	-	-
- Refund Liabilities	3.50	3.50	3.50	-	-
	38,920.40	**48,935.77**	**17,975.48**	**22,191.31**	**8,768.98**
Derivative financial liabilities*					
- Derivative Instruments	13.43	13.43	13.43	-	-
	13.43	**13.43**	**13.43**	**-**	**-**

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

32. Financial instruments - fair values and risk management (Contd..)

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	708.38	493.19	215.19	-
- Trade payables	9,832.65	9,832.65	9,832.65	-	-
- Lease Liabilities	13,831.86	17,911.06	4,069.80	12,101.19	1,740.07
- Capital creditors	410.62	410.62	410.62	-	-
- Other Payables	-	-	-	-	-
- 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	-	-
	26,701.37	**30,841.75**	**16,750.71**	**12,350.97**	**1,740.07**
Derivative financial liabilities					
- Derivative Instruments	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

* Derivative financial liabilities includes other finance charges includes, mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks.

(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, 2025, 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, 2025	As at March 31, 2024
Fixed rate borrowings	178.19	647.20
	178.19	**647.20**

Interest rate sensitivity analysis

The entity has no floating rate borrowings as of the reporting date. Consequently, changes in market interest rates do not have a direct impact on the profit or loss, and the interest rate risk is considered minimal

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ 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 the 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, 2025	As at March 31, 2024
CHF		
Trade payables (net of receivable)	933.79	1,652.82
Less: Cash and cash equivalents	109.30	88.20
Net exposure / (surplus) of recognised financial liability / (Asset)	**824.49**	**1,564.62**
USD		
Trade payables (net of receivable)	579.91	260.67
Less: Cash and cash equivalents	1.96	8.82
Net exposure / (surplus) of recognised financial liability / (Asset)	**577.95**	**251.85**
AED		
(Other receivables) / Trade payable (net)	(12.11)	27.83
Net exposure / (surplus) of recognised financial liability / (Asset)	**(12.11)**	**27.83**
AUD		
Less: Cash and cash equivalents	-	1.02
Net exposure / (surplus) of recognised financial liability / (Asset)	**-**	**1.02**
GBP		
(Other receivables) (net)	(2.07)	-
Less: Cash and cash equivalents	-	-
Net exposure / (surplus) of recognised financial liability / (Asset)	**(2.07)**	**-**
SGD		
Trade payables (net of receivable)	-	7.67
Less: Cash and cash equivalents	0.27	-
Net exposure / (surplus) of recognised financial liability / (Asset)	**(0.27)**	**7.67**
EUR		
(Other receivables) / Trade payable (net)	(135.27)	56.98
Less: Cash and cash equivalents	-	0.27
Net exposure / (surplus) of recognised financial liability / (Asset)	**(135.27)**	**56.71**

Forward contracts outstanding as at the end of the year	As at March 31, 2025		As at March 31, 2024	
	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
Forward Contract - CHF	1,030.45	10.50	-	-

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

32. Financial instruments - fair values and risk management (Contd..)

Sensitivity analysis

A reasonably possible strengthening (weakening) of CHF, USD, AED, AUD, GBP, 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, 2025	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (5% movement)	(41.22)	41.22
SGD (5% movement)	0.01	(0.01)
EUR (5% movement)	6.76	(6.76)
USD (5% movement)	(28.90)	28.90
GBP (5% movement)	0.10	(0.10)
AED (5% movement)	0.61	(0.61)
AUD (5% movement)	-	-

As at March 31, 2025	Equity (net of tax)	
	Strengthening	Weakening
CHF (5% movement)	(30.85)	30.85
SGD (5% movement)	0.01	(0.01)
EUR (5% movement)	5.06	(5.06)
USD (5% movement)	(21.62)	21.62
GBP (5% movement)	0.08	(0.08)
AED (5% movement)	0.45	(0.45)
AUD (5% movement)	-	-

As at March 31, 2024	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (5% movement)	(78.23)	78.23
SGD (5% movement)	(0.38)	0.38
EUR (5% movement)	(2.84)	2.84
USD (5% movement)	(12.59)	12.59
GBP (5% movement)	-	-
AED (5% movement)	(1.39)	1.39
AUD (5% movement)	0.05	(0.05)

As at March 31, 2024	Equity (net of tax)	
	Strengthening	Weakening
CHF (5% movement)	(58.54)	58.54
SGD (5% movement)	(0.29)	0.29
EUR (5% movement)	(2.12)	2.12
USD (5% movement)	(9.42)	9.42
GBP (5% movement)	-	-
AED (5% movement)	(1.04)	1.04
AUD (5% movement)	0.04	(0.04)

CHF: Swiss Franc, USD: US Dollar, SGD: Singapore Dollar, EUR: Euro, GBP: Pound Sterling, AED: Emirati Dirham, AUD: Australian dollar.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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, 2025	As at March 31, 2024
Total Debts includig trade payable	36,652.15	24,311.71
Less: cash and cash equivalents	(2,491.14)	(5,942.15)
Adjusted net debt	**34,161.01**	**18,369.56**
Total equity	98,008.49	88,196.44
Adjusted net debt to equity ratio	**0.35**	**0.21**

34. Employee benefits

I. Assets and liabilities relating to employee benefits

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Liability for gratuity	280.12	241.74
	280.12	**241.74**
Current	42.74	56.49
Liability for gratuity	42.74	56.49
Liability for compensated absences	423.51	393.06
	466.25	**449.55**
Total	**746.37**	**691.29**

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.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

34. Employee benefits (Contd..)

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, 2025	As at March 31, 2024
Balance at the beginning of the year	**318.87**	**236.63**
Benefits paid	(60.31)	(5.45)
Current service cost	75.52	56.54
Interest cost	23.02	17.42
Actuarial (gains) / losses on experience adjustments recognised in other comprehensive income	17.84	13.73
Balance at the end of the year	**374.94**	**318.87**

c) Reconciliation of the present value of plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**20.63**	**14.79**
Contributions paid into the plan	30.00	9.94
Interest Income	1.49	1.09
Benefits paid	-	(5.45)
Return on plan assets recognised in other comprehensive income	(0.05)	0.26
Balance at the end of the year	**52.07**	**20.63**

d) Expense recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	75.52	56.54
Interest Income	(1.49)	(1.09)
Interest cost	23.02	17.42
Balance at the end of the year	**97.05**	**72.87**

e) Remeasurements recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (Gain)/loss on defined benefit obligation	17.84	13.73
Actuarial (Gain)/loss on defined plan assets	0.05	(0.26)
Balance at the end of the year	**17.89**	**13.47**

f) Plan assets

100% of the plan assets are managed by LIC

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

34. Employee benefits (Contd..)

g) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (per annum)	6.99% p.a.	7.22% p.a.
Future salary growth rate (per annum)	6.00% p.a.	6.00% 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, 2025	
	Increase	Decrease
Discount rate (0.5% movement)	(11.22)	11.89
Future salary growth rate (0.5% movement)	10.77	(10.27)

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)

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 contribution to be paid in next year:

Particulars	As at March 31, 2025	As at March 31, 2024
Service Cost	66.74	93.49
Net Interest Cost	21.53	24.66
Expected Expense for the next annual reporting period	88.27	118.15

i) Expected benefit payments

Amount of expected benefit payments for next years are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	49.63	60.40
1-2 year	23.79	21.50
2-3 year	30.99	19.66
3-4 year	39.20	23.96
4-5 year	23.88	25.16
5 years onwards	207.45	168.19

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

34. Employee benefits (Contd..)

j) Weighted average duration of the defined benefit plan

Particulars	As at March 31, 2025	As at March 31, 2024
Weighted average duration (in years)	8.27	8.19

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.268.98 during the period (March 31, 2024: Rs.208.53) 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, 2025	As at March 31, 2024
a) Income Tax matters	527.77	484.95
b) Excise Duty matters	65.77	65.77
c) Customs duty matters	-	12.90
d) Goods and Services Tax matter	1,746.40	12.15

The Company pending litigations pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

ii) Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,012.70	1,056.35

iii) 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.

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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 - 10 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
As at March 31, 2023	**10,239.92**	**105.12**	**10,345.04**
Additions	5,581.90	109.07	5,690.97
Deletions	(63.49)	-	(63.49)
Depreciation expense	(3,377.64)	(53.85)	(3,431.49)
As at March 31, 2024	**12,380.69**	**160.34**	**12,541.03**
Additions	18,863.13	-	18,863.13
Deletions	(1,194.99)	-	(1,194.99)
Depreciation recognise in Pre-Operative Expenses	(719.73)	-	(719.73)
Depreciation recognise in Income Statement	(4,422.85)	(60.88)	(4,483.73)
As at March 31, 2025	**24,906.25**	**99.46**	**25,005.71**

The carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	13,831.86	11,273.55
Additions	18,279.99	5,441.30
Accretion of interest recognise in Pre-Operative Expenses	719.73	-
Accretion of interest recognise in Income Statement	1,824.71	1,511.36
Deletions	(1,299.03)	(68.13)
Payments (Principal and interest)*	(5,765.74)	(4,326.22)
At the closing of the year	**27,591.52**	**13,831.86**
Current lease liabilities	4,041.27	2,731.21
Non-current lease liabilities	23,550.25	11,100.65
Total	**27,591.52**	**13,831.86**

The details regarding the maturity analysis of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	6,593.53	4,069.80
After one year but not more than five years	22,191.31	12,101.19
More than five years	8,768.98	1,740.07
Total	**37,553.82**	**17,911.06**

Considering the lease term of the leases, the effective interest rate for lease liabilities ranges between 9.80% to 10.25% (March 31, 2024: 9.80% to 11.33%).

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.

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

36. Leases (Contd..)

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	4,483.73	3,431.49
Interest expense on lease liabilities	1,824.71	1,511.36
Expense relating to short-term leases and variable rent (included in other expenses)**	646.24	832.88
Total amount recognised in profit or loss	**6,954.68**	**5,775.73**

*The Company had total cash outflows for leases of Rs. 5,716.67 (March 31, 2024: Rs. 4,326.22).

** Gross of reimbursement received of Rs. 13.20 (March 31, 2024: Rs. 25.11).

37. Related parties

(i) Holding Company :

KDDL Limited (KDDL)

(ii) Joint venture :

Pasadena Retail Private Limited

(iii) Subsidiaries :

Cognition Digital LLP

(iv) Associate :

Silvercity Brands AG

(v) Entities under common control (where transactions have taken place during the year / balances outstanding) :

Mahen Distribution Limited

Pylania SA

VBL Innovations 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

(vi) Details of transactions entered into with the related parties:

Key Managerial Personnels and relatives of Key Managerial Personnels

Mr.Y.Saboo (Chairman and Managing Director)

Relative details

Mrs. Usha Devi Saboo (Mother)

Mrs. Anuradha Saboo (Spouse)

Mr. Jai Vardhan Saboo (Brother)

Mrs. Satvika Suri (Daughter)

Mr. Siddharth Suri (Daughter's husband)

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

37. Related parties (Contd..)

Mr. Pranav Shankar Saboo - Managing Director and CEO (w.e.f. April 1, 2024).

Relative details

Mrs. Malvika Saboo (Spouse)

Mr. Anil Khanna - Independent Director

Relative details

Mrs Alka Khanna (Spouse)

Mr. Saahil Khanna (Son)

Mr. Sundeep Kumar - Independent Director

Relative details

Ms. Anushka Kumar (Daughter)

Mr. Dilpreet Singh - Independent Director

Relative details

Mrs. Kuldeep Kaur (Mother)

Mrs. Ekjot Kaur (w/o Digvijay Singh)

Mrs. Harpreet Kaur (Sister)

Mr. Patrik Paul Hoffman-Managing Director of Silvercity Brands AG

Mr. Manoj Subramanian – appointed as Executive Director (upto March 31, 2025).

Mr. Chitranjan Agarwal - Non Independent and Non Executive Director

Relative details

Mrs. Pallavi Agarwal (Spouse)

Mrs. Munisha Gandhi - Independent (Woman) Director

Relative details

Mr. Viraj Gandhi (Son)

Mr. Yogen Khosla - Independent Director (upto March 06, 2025).

Mr.Charu Sharma- Independent Director

Mr. Munish Gupta - CFO

Mr. Shubham Kandhway (CS)

Mr. Anil Kumar (CS) (upto January 31, 2025).

Notes:

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, 2025

(All amounts in ₹ 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	
For the Year Ended	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Transactions								
Sale of goods	-	-	4.29	5.31	350.89	145.53	15.98	4.86
Other Income[1]	10.47	112.17	-	-	-	-	-	43.68
Rent income	12.00	12.00	1.20	1.20	-	-	-	-
Purchases of stock-in-trade[2]	915.31	-	-	51.10	33.82	33.50	2.76	5.62
Short term employee benefits	-	-	-	-	1,259.33	945.16	-	-
Legal and professional fees	-	-	61.53	-	93.56	56.80	-	-
Advertisement and sales promotion [3]	510.17	472.43	-	55.20	-	-	-	-
Recovery of expenses incurred4	502.58	287.22	-	-	-	-	-	-
Rent expenses	-	-	13.23	12.92	-	-	31.41	42.06
Directors sitting fees and commission	-	-	-	-	26.85	33.65	-	-
Reimbursement of expenses	-	0.01	-	-	-	0.84	12.13	7.38
Interest Expenses	-	-	-	-	11.26	16.81	-	-
Guarantees given by the company[5]	490.00	-	-	-	-	-	-	-
Sale of Property, Plant and Equipment	-	-	-	-	1.08	-	58.54	-
Investment in subsidiary / Joint venture[6]	1,451.66	2,074.38	-	112.76	-	-	-	-
Loan repaid	-	-	-	-	1.90	25.40	-	-
Loan given	-	-	-	-	-	38.78	-	-

1. Other Income includes transactions amounting to Rs. 9.27 lakhs from Business Support Services rendered to Pasadena Retail Private Limited and Rs. 1.20 lakhs as Facilitation Charges received from Cognition Digital LLP
2. Purchases of stock-in-trade include transactions amounting to Rs. 915.31 lakhs from Silvercity Brands AG.
3. Advertisement and sales promotion include transaction amounting to Rs. 510.17 with Cognition Digital LLP.
4. Recovery of expenses incurred includes transactions amounting to Rs. 283.94 lakhs from Silvercity Brands AG, Rs. 140.78 lakhs from Cognition Digital LLP, Rs.54.38 lakhs from Pasadena Retail Private Limited, and Rs. 23.48 lakhs from Ethos Lifestyle Pvt. Ltd.
5. Guarantees given by the company to Pasadena Retail Private Limited
6. Investment in subsidiary / Joint venture include transaction amounting to Rs. 951.66 with Silvercity Brands AG and Rs. 500 with Ethos Lifestyle Private Limited.

Balances outstanding :	Joint venture/ Subsidiary body corporate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Balances outstanding :								
Investments	4,416.48	2,876.53	177.45	134.92	-	-	-	-
Receivable against sale of goods	-	-	-	-	105.00	94.79	-	-
Advances	257.12	93.74	-	0.35	43.14	8.18	6.67	5.79
Payable for Employee Benefits	-	-	-	-	-	39.24	-	-
Payable for Director Fees	-	-	-	-	-	-	-	-
Payable for services received	61.00	251.95	-	-	34.79	3.83	-	-
Interest accrued but not due	-	-	-	-	-	22.95	-	-
Guarantees given by the company	271.34	-	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	111.81	-	-
Deemed capital contribution	-	-	-	-	-	-	50.51	50.51
Share Application Money	479.12	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ 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 as a single operating segment as per Ind AS 108, hence separate segment disclosure, have not been furnished.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10% or more of an entity's revenues during the current and previous year.

Information about major geographies

The Company primarily operates in India only.

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. 147.41 (March 31, 2024: Rs 78.43) for CSR activities carried out during the current year.

S. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i	Amount required to be spent by the company during the period	145.98	78.43
ii	Amount of expenditure incurred		
	a. Paid *	147.41	78.43
	b. Yet to be paid	-	-
	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	Say Trees Environmnetal Trust - Towards million tree project	Isha Foundation-Towards Million Tree projects
		SankalpTaru Foundation - Towards million tree projects.	Youth Technical Training Society - Towards promoting education
		-	Traditional Art and Handicrafts
		National Council for Handloom and Handicraft Development	Traditional Art and Handicrafts
		Bharatiyam	Traditional Art and Handicrafts
		Madhavrao Scindia Foundation	Health Care, including Preventive Health Care
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	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 be shown separately	Not applicable	Not applicable

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

40. Disclosures pursuant to Section 186 of the Companies Act, 2013:

Investment	As at March 31, 2025	As at March 31, 2024
Investment in joint venture: Investment in Pasadena Retail Private Limited		
Balance as at the year end	275.00	275.00
Maximum amount outstanding at any time during the year	275.00	275.00
Investment in Subsidiary: Investment in Cognition Digital LLP (Partnership firm)		
Balance as at the year end	670.32	582.03
Maximum amount outstanding at any time during the year	670.32	582.03
Investment in Subsidiary: Investment in Silvercity Brands AG (Registered Company in Switzerland) (Refer Note 5)		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	1,919.50
Investment in Associate: Investment in Silvercity Brands AG (Registered Company in Switzerland) (Refer Note 5)		
Balance as at the year end	2,871.16	1,919.50
Maximum amount outstanding at any time during the year	2,871.16	1,919.50
Investment in Subsidiary: Investment in Ethos Lifestyle Private Limited (Formerly RF Brands Private Limited)		
Balance as at the year end	600.00	100.00
Maximum amount outstanding at any time during the year	600.00	100.00

Particulars of guarantee given:

Particulars	Purpose	Guarantee given during the financial year		Guarantee Outstanding amount	
		Year ended March 31, 2025	Year ended March 31, 2024	As on March 31, 2025	As on March 31, 2024
Guarantees given to Pasadena Retail Private Limited	Business Purpose	490.00	-	271.34	-

41. Details of subsidiary, associate and joint venture with ownership % and place of business :

Subsidiary

Name of the entity	Cognition Digital LLP
Principal Place of Business	India
Proportion of Ownership as at March 31, 2025	99.99 %
Proportion of Ownership as at March 31, 2024	99.99 %
Method used to account for the investment	At cost

Name of the entity	Ethos Lifestyle Private Limited (Formerly RF Brands Private Limited)
Principal Place of Business	India
Proportion of Ownership as at March 31, 2025	100.00 %
Proportion of Ownership as at March 31, 2024	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, 2025	50.00 %
Proportion of Ownership as at March 31, 2024	50.00 %
Method used to account for the investment	At cost

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

41. Details of subsidiary, associate and joint venture with ownership % and place of business : (Contd..)

Associate (Refer Note 44)

Name of the entity	Silvercity Brands AG
Principal Place of Business	Switzerland
Proportion of Ownership as at March 31, 2025	33.88%
Proportion of Ownership as at March 31, 2024	35.00%
Method used to account for the investment	At cost

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*

Ratios	Unit of Measurement	As at 31 March 2025	As at 31 March 2024	% change **
a. Current Ratio	No. of times	4.97	4.98	(0.19%)
b. Debt Equity Ratio	No. of times	0.28	0.16	77.09%)
c. Debt Service Coverage Ratio	No. of times	8.80	3.82	130.49%
d. Return on Equity Ratio	Percentage (%)	10.55%	10.74%	(1.74%)
e. Inventory Turnover Ratio	No. of times	1.70	1.79	(5.12%)
f. Trade Receivable turnover Ratio	No. of times	73.99	91.77	(19.37%)
g. Trade Payable turnover Ratio	No. of times	11.00	8.12	35.51%
h. Net Capital Turnover Ratio	No. of times	1.78	1.45	22.21%)
i. Net Profit Ratio	Percentage (%)	7.85%	8.15%	(3.68%)
j. Return on Capital Employed	Percentage (%)	12.00%	12.13%	(1.06%)
k. Return on Investment	Percentage (%)	3.44%	6.75%	(49.04%)

*** 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

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

43. Ratio Analysis* (Contd..)

**** Explanation for variance in ratios**

a. Debt Equity Ratio - The debt-equity ratio is increased due to a rise in lease liabilities, despite growth in equity, indicating slightly higher financial leverage.

b. Debt Service Coverage Ratio - The ratio has improved due to major reduction in debt service obligations, indicating better debt coverage capacity.

c. Trade payables turnover Ratio - Trade payables turnover ratio have increased indicating faster payments to suppliers during the period in spite of increase in purchases

d. Return on Investment - The Company has invested funds in current year and the increased its investment base on account, whose impact in the form of returns will be seen in coming years.

The decrease in ROI from 6.75 to 3.44 provides an opportunity to reevaluate and optimize investments for better returns.

44. During the year ended March 31, 2024, 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 12, 2024. Henceforth, Silvercity Brands AG has been identified as an associate of the Parent company as on March 31, 2024.

During the year ended March 31, 2025, the Company has futher invested Rs. 951.66 to acquire 3,46,000 shared of nominal value of CHF 1 each out of 12,20,000 shares allocated by Silvercity Brands AG, resulted into further reduction of shareholding to 33.88%.

(An amount of Rs. 479.12 is payable to Silvercity Brands AG on account of partially paid-up share capital for 3,46,000 shares as of March 31, 2025)"

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

Notes to the Standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

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 stands 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)
Net Proceeds available for utilisation	**33,968.95**

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, 2025	Unutilized as on March 31, 2025**
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	2,347.56	979.72
Financing the upgradation of ERP	198.01	198.01	-
General corporate purpose*	3,958.35	3,958.35	-
Total	**33,968.95**	**32,989.23**	**979.72**

*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' 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, 2025 have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

47. During the previous 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)
Net Proceeds available for utilisation	**16,959.64**

Notes to the standalone Financial Statements for the year ended March 31, 2025

(All amounts in ₹ lakhs, except for share data and if otherwise stated)

47. (Contd..)

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, 2025	Unutilized as on March 31, 2025 #
Funding working capital requirements*	13,125.00	8,455.97	4,669.03
General corporate purpose**	3,834.64	-	3,834.64
Total	**16,959.64**	**8,455.97**	**8,503.67**

** Utilization for the object "Funding working capital requirement of our Company" made during the year ending March 31, 2025, is 8,455.97. The Company has utilized additional funds for 498.88 out of the next year fund utilization projections on account of increased need of working capital for operations during the Fiscal 2025.

*** The Prospectus specifies that "If the Net Proceeds are not utilised (in full or in part) for the Objects during the periods stated in this section due to factors such as the timing of completion of the Issue, economic and market conditions outside the control of our Company and any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company." Rs. 2,000 lacs could not be utilized towards the aforementioned object due to delay in procurement of inventory for various new stores in Delhi NCR area. The same will be utilized in the subsequent quarter.

Net unutilised proceeds as on March 31, 2025 have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

48. 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 accounting software except that, the feature of recording audit trail for direct changes to database was enabled and retained from 8 August 2024 onwards for all user ids and for certain limited tables only.

49. There are no significant events after reporting date which need to be disclosed.

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Anil Khanna
Independent 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 Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Ethos Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2025, 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 material accounting policy information and other explanatory information.

2. 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 financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint venture, as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
1. Existence and valuation of inventories	
• Refer note 2.3(e) to the accompanying consolidated financial statements for material accounting policy information on inventories and Note 11 for details of inventories as at 31 March 2025. • The total value of inventories as at 31 March 2025 amount to INR 59,267 lakhs, representing 42% of the total assets of the Group. The inventories primarily comprise of luxury watches, which are stored across various retail outlets and third-party locations situated nationwide and valued at cost and net realisable value ('NRV''), whichever is lower, in accordance with the principles of Ind AS 2, "Inventories" ('Ind AS 2'). • The Group conducts periodic physical verification as part of its physical verification plan. However, given the multiple locations, high value of such watches, there is an inherent risk of loss, including theft, which requires significant attention and audit efforts to obtain comfort on existence of such inventories. • While assessing the provision for slow-moving or obsolete inventory management applies significant judgements and estimates, such as age of the products, past sales trend, future sales volumes of such brands, potential brand discontinuance, changing consumer demands and fashion trends.	Our audit procedures in relation to the existence and valuation of inventories included, but was not limited to, the following: • Obtained an understanding of the management's process of physical verification and safeguarding of inventories, identifying slow-moving or obsolete inventory and NRV assessment and evaluated the appropriateness of related accounting policy for provision and valuation of inventories as per Ind AS 2; • Evaluated the design and tested the operating effectiveness of management's key internal controls, including general and specific information technology controls over physical verification and valuation of inventories; • On a sample basis, inspected management's inventory counts records and further observed physical verification conducted by the management and performed independent test counts including testing the roll-forward/roll-backward workings where required for locations selected based on materiality and risk considerations; • Obtained ageing of inventories and tested the ageing, on sample basis;
	• Understood, assessed and challenged the assumptions and reliability of information used by the management while estimating inventory provision by comparing carrying value of inventories with sales price during the year or subsequent to year end, past sale trend, analysis of inventory items by category and age and inquiries with key members of finance and procurement/brand team to understand plans for discontinuance, to ensure such judgements and assumptions are appropriate and supportable and are in line with our understanding of the business and industry conditions; and • Evaluated the adequacy and appropriateness of the disclosures made in the consolidated financial statements in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 and its associates and joint venture to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the 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.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Matter

15. We did not audit the financial statements 2 of subsidiaries, whose financial statements reflects total assets of ₹ 2,486 lakhs as at 31 March 2025, total revenues of ₹ 510 lakhs and net cash inflows amounting to ₹ 341 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 127 lakhs for the year ended 31 March 2025 in respect of an associate and a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associate and joint venture, are based solely on the reports of the other auditors.

Further, an associate is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such an associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such associate located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

16. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 1 lakhs for the year ended 31 March 2025 in respect of an associate, whose financial information have not been audited by us. This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

17. The consolidated financial statements of the Group for the year ended 31 March 2025 were audited by the predecessor auditor, S.R. Batliboi & Co. LLP, Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 13 May 2024.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, associates and a joint venture, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to subsidiary and a joint venture incorporated in India whose financial statements have been audited under the Act, since such companies are not public companies as defined under section 2(71) of the Act.

19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

20. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of a subsidiaries and a joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) Except for the matters stated in paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and a joint venture, covered under the Act, none of the directors of the Holding Company, its subsidiaries and a joint venture, are disqualified as on 31 March 2025 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 20(b) above on reporting under section 143(3)(b) of the Act and paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

h) 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 and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as at 31 March 2025, as detailed in Note 36 to the consolidated financial statements;

ii. The Holding Company, its subsidiaries and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and joint venture covered under the Act, during the year ended 31 March 2025;

iv. a. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in note 46(5) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and joint venture to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company or any such subsidiaries and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 46(6) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries 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 such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiaries and joint venture have not declared or paid any dividend during the year ended 31 March 2025.

vi. As stated in Note 49 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiary and joint venture which are companies incorporated in India and audited under the Act, except for instances mentioned below, the Holding Company and its subsidiary and joint venture, in respect of financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiary and joint venture did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, except for instances mentioned below, the audit trail has been preserved by the Holding Company and its subsidiary and joint venture as per the statutory requirements for record retention from the date the audit trail was enabled for the accounting software.

A. The audit trail feature was not enabled at the database level for the period 1 April 2024 to 7 August 2024 for certain tables of the accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company.

B. The audit trail feature did not operate throughout the period for a subsidiary company, as the accounting software implementation was in process.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 25504774BMIDLS3218

Place: Gurugram
Date: May 05, 2025

Annexure 1

List of entities included in the Statement

(I) Subsidiaries:

1. Cognition Digital LLP
2. Ethos Lifestyle Private Limited (formerly known as RF Brands Private Limited)

Joint Venture:

1. Pasadena Retail Private Limited

(II) Associates:

1. Silvercity Brands AG
2. Favre Leuba GmBH (a subsidiaries of Silvercity Brands AG)

Annexure II Independent Auditor's report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Ethos Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, which is company covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Board of Directors of the Holding Company, its subsidiary and joint venture which are companies covered under the Act, are 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) ("the Guidance Note"). 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 the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. The audit of internal financial controls with reference to financial statements of one subsidiary and one joint venture, which are companies covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to 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 financial statements include 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 Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is a company covered under the Act, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
UDIN: 25504774BMIDLS3218

Place: Gurugram
Date: May 05, 2025

Consolidated Balance Sheet as at March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,776.71	6,324.20
Capital work-in-progress	3	3,057.41	701.79
Intangible assets	4	4,297.73	4,111.13
Right-of-use assets	37	26,045.04	12,541.03
Intangible assets under development	4	3.50	154.47
Investments accounted for using equity method	5A	3,444.76	2,401.14
Financial assets			
- Investment	5B	177.45	134.92
- Loans	6	-	1.70
- Other financial assets	7	2,762.94	2,816.99
Non-current tax assets (net)	8	171.06	209.58
Deferred tax assets (net)	9	941.52	903.91
Other non-current assets	10	1,234.01	357.77
Total non-current assets		**51,912.13**	**30,658.64**
Current assets			
Inventories	11	59,267.06	43,969.18
Financial assets			
- Trade receivables	12	1,825.95	1,557.19
- Cash and cash equivalents	13	2,848.01	6,057.91
- Other bank balances	14	19,154.44	28,488.15
- Loans	6	4.68	23.73
- Other financial assets	7	1,116.71	2,165.00
Other current assets	15	4,835.52	4,144.31
Total current assets		**89,052.37**	**86,405.47**
Total Assets		**1,40,964.50**	**1,17,064.11**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	2,448.04	2,448.04
Other equity	17	95,771.65	85,948.65
Equity attributable to owners of the Company / Total equity		**98,219.69**	**88,396.69**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	12.55	205.98
- Lease liabilities	37	24,496.61	11,100.65
- Other financial liabilities	19	-	34.59
Employee benefit obligations	20	288.30	249.50
Total non-current liabilities		**24,797.46**	**11,590.72**
Current liabilities			
Financial liabilities			
- Borrowings	18	183.46	463.87
- Lease liabilities	37	4,179.48	2,731.21
- Trade payables			
- total outstanding dues of micro enterprises and small enterprises	21	256.29	265.95
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	8,619.46	9,330.82
- Other financial liabilities	19	2,285.67	2,359.10
Other current liabilities	22	1,931.44	1,423.90
Employee benefit obligations	20	477.27	462.67
Current tax liabilities (net)	23	14.28	39.18
Total current liabilities		17,947.35	17,076.70
Total liabilities		**42,744.81**	**28,667.42**
Total Equity and Liabilities		**1,40,964.50**	**1,17,064.11**
Summary of material accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements.			

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Consolidated Statement of Profit and Loss for period ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations	24	1,25,162.71	99,899.21
Other income	25	2,429.98	2,361.68
Total Income (I)		**1,27,592.69**	**1,02,260.89**
Expenses			
Purchase of stock-in-trade		1,02,965.61	79,817.94
Changes in inventory of stock-in-trade	26	(15,297.88)	(9,981.89)
Employee benefits expense	27	8,533.57	7,036.38
Finance costs	28	1,943.84	1,601.80
Depreciation and amortization expense	29	6,300.31	4,867.46
Other expenses	30	9,954.41	7,855.30
Total expenses (II)		**1,14,399.86**	**91,196.99**
Profit before share of joint venture, associate and income tax (III= I-II)		**13,192.83**	**11,063.90**
Share of profit/(loss) in associates and joint venture accounted for using equity method (net of tax) (IV)		(185.97)	67.31
Profit before tax (V= III-IV)		**13,006.86**	**11,131.21**
Tax expense, comprising			
- Current tax	31	3,480.86	2,830.75
- Deferred tax	31	(102.79)	(28.99)
Total tax expense (VI)		**3,378.07**	**2,801.75**
Profit for the year (VII = V-VI)		**9,628.79**	**8,329.46**
Other comprehensive income / (expense)			
Items that will be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations		277.93	(41.89)
- Income tax effect on above		(69.95)	10.58
Items that will not be reclassified subsequently to profit or loss:			
- Re-measurement of income/(loss) on defined benefit plans		(18.47)	(14.49)
- Income tax effect on above		4.70	3.75
Total other comprehensive (loss) for the year, net of tax		**194.21**	**(42.05)**
Total comprehensive income for the year, net of tax		**9,823.00**	**8,287.41**
Earnings per equity share [nominal value of Rs. 10 (previous period Rs. 10)]	32		
Basic (Rs.)		39.33	34.98
Diluted (Rs.)		39.33	34.98
Summary of Material accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements			`

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Consolidated Statement of cash flows for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. OPERATING ACTIVITIES		
Profit before income tax	13,006.86	11,131.21
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortization expense	6,300.31	4,867.46
Write off / loss on sale of property, plant & equipment	21.26	8.87
Profit on Sale of property, plant & equipment (net)	54.18	(55.76)
Interest expense	1,926.88	1,599.14
Interest income	(2,184.70)	(1,828.70)
Provisions/liabilities no longer required written back	(75.82)	(166.04)
Effect of exchange rates on translation of operating cash flows	-	0.16
Share of loss / (profit) of joint venture and associate (net of income tax)	185.97	(67.31)
Unrealized foreign exchange gain	(14.50)	(46.36)
Fair value gain on investments carried at fair value through profit or loss	(42.53)	(22.16)
Change in fair value of derivative contracts	13.43	-
Gain on deemed disposal of subsidiary	-	(225.80)
Gain on termination of lease contracts	(112.28)	(9.18)
Allowance for doubtful debts/(written back)	2.71	1.26
Allowance for doubtful advances/recoverable	107.14	-
Advances / deposits / Bad debts written off	22.98	39.40
Cash generated from operations before working capital changes	**19,211.89**	**15,226.18**
Movements in working capital:		
Decrease in loans	20.75	5.52
(Increase) in other financial assets	(727.30)	(511.77)
(Increase) / Decrease in other assets	(793.17)	762.89
(Increase) in inventories	(15,297.88)	(9,981.89)
(Increase) in trade receivables	(294.45)	(959.21)
Increase in employee benefit obligations	37.73	114.77
(Decrease) / Increase in trade payables	(727.40)	92.52
(Decrease) / Increase in other financial liabilities	(573.17)	1,017.96
Increase in other current liabilities	584.39	101.49
Cash flow from operations	1,441.39	5,868.47
Income tax paid (net)	(3,470.04)	(2,787.08)
Net cash (used in) / generated from operating activities (A)	**(2,028.65)**	**3,081.39**
B. INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (including intangible assets, capital work in progress, intangible assets under development and capital advances)	(7,933.01)	(3,944.76)
Proceeds from sale of property, plant and equipment	595.04	788.31
Payment towards purchase of investments	-	(100.00)
Payment towards acquistion of associate	(472.54)	(1,842.93)
Investment in bank deposits (having original maturity of more than three months)	10,155.70	(8,370.47)
Interest received	2,313.41	1,189.75
Net cash generated from / (used in) investing activities (B)	**4,658.60**	**(12,280.10)**
C. FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (including premium)	-	17,499.82
Share issue expenses	-	(540.18)
Proceeds from non-current borrowings	-	26.75
Repayment of non-current borrowings	(4.83)	(112.05)
Proceeds from/repayments of other current borrowings (net)	(469.01)	(43.87)
Payment of principal portion of lease liabilities	(3,389.55)	(2,814.86)
Interest paid on lease liabilities	(1,824.71)	(1,511.36)
Interest expense paid	(151.75)	(36.49)
Net cash (used in) / generated from financing activities (C)	**(5,839.85)**	**12,467.76**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(3,209.90)**	**3,269.04**
Cash and cash equivalents at the beginning of the year	6,057.91	2,788.87
Cash and cash equivalents at the end of the year	**2,848.01**	**6,057.91**

Consolidated Statement of cash flows for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

Notes :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1. Cash and cash equivalents include :		
Balance with banks in current accounts	1,273.69	2,319.34
Cheques and drafts on hand	23.71	-
Cash on hand	266.55	245.68
Credit cards receivable	283.39	339.89
Mutual Funds	100.67	-
Fixed Deposits with original maturity of less than three months	900.00	3,153.00
Cash and cash balance at the end of the year (Refer Note 13)	**2,848.01**	**6,057.91**

2. 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.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Consolidated Statement of Changes in Equity for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

a. Equity share capital

Particulars	Note	Number	Amount
Balance as at April 01, 2023		**2,33,49,233.00**	**2,334.92**
Issue of share capital during the year		11,31,210.00	113.12
Balance as at March 31, 2024	16	**2,44,80,443.00**	**2,448.04**
Issue of share capital during the year		-	-
Balance as at December 31, 2024	16	**2,44,80,443.00**	**2,448.04**

b. Other Equity

Particulars	Deemed capital contribution	Reserves and surplus			Other comprehensive Income	Total
		Capital reserve	Securities premium	Retained earnings	Exchange differences on translation of foreign operations	
Balance as at April 01, 2023	**50.51**	**1.67**	**51,548.31**	**9,214.39**	**(0.16)**	**60,814.72**
- Profit for the year	-	-	-	8,329.46	-	8,329.46
- Other comprehensive (loss) (net of tax) *	-	-	-	(10.74)	(31.31)	(42.05)
Total comprehensive income for the year	**-**	**-**	**-**	**8318.72**	**(31.31)**	**8,287.41**
- Issue of equity shares for cash**	-	-	16,846.52	-	-	16,846.52
Balance as at March 31, 2024	**50.51**	**1.67**	**68,394.83**	**17,533.11**	**(31.47)**	**85,948.65**
- Profit for the year				9,628.79	-	9,628.79
- Other comprehensive (loss) (net of tax)	-	-	-	(13.77)	207.98	194.21
Total comprehensive income for the year	**-**	**-**	**-**	**9615.02**	**207.98**	**9,823.00**
Balance as at March 31, 2025	**50.51**	**1.67**	**68,394.83**	**27,148.13**	**176.51**	**95,771.65**

Note: For description of the purposes of each reserve within equity, refer note 17 of consolidated/standalone financial statements.

* Exchange differences on translation of foreign operations is net of Rs. 48.08 being reclassified adjustment from equity to profit or loss on deemed disposal of foreign subsidiary.

** Net of share issue expenses of Rs. 540.18

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

1. Corporate Information

Ethos Limited ('the Company' or the Parent Company), is a public limited company domiciled in India and was incorporated on 05 November 2007 under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. These consolidated financial statements comprise the Company, its subsidiaries (referred to collectively as the "Group"), its associates and its joint venture. The registered office of the Company is located at Plot No. 3, Sector III, Parwanoo, Himachal Pradesh. The Corporate Identification Number of parent company is L52300HP2007PLC030800.

The Group's business consists of retail trading of premium and luxury watches, accessories and other luxury items, marketing and support services and rendering of related after sale services.

Information on the Group's structure is provided in Note 2.2. Information on other related party relationships of the Group is provided in Note 38.

The consolidated financial statements were approved for issue in accordance with a resolution of the directors on May 05, 2025.

2. Material Accounting policy information

2.1 Basis of preparation

These consolidated 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 consolidated financial statements provide comparative information in respect of the corresponding previous year.

The Group's consolidated financial statements are presented in Indian Rupees, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. These consolidated 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 consolidated 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 Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Basis of Consolidation

The consolidated financial statements comprises the financial statement of the Company, and the entities controlled by the Group including its subsidiaries as at March 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affects its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

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the parent company, i.e., year ended on 31 March 2025. 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 2025)	% of holding (31 March 2024)
Cognition Digital LLP*	IT based business solutions	Subsidiary	India	99.99%	99.99%
Ethos Lifestyle Private Limited (Formerly known as RF Brands Private Limited**)	Trading of Watches	Subsidiary	India	100%	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	33.88%	35%
Favre Leuba GmBH	Trading of Watches	Associate	Switzerland	33.88%	35%

* The percentage of holding denotes the Share of Profits in LLP.

** Name changed w.e.f. March 05, 2025

*** percentage holding reduced to 33.88% w.e.f. March 11, 2025

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.

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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.

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

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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,

- 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.

The management basis its past experience and technical assessment has estimated the useful lives, which is at variance with the life prescribed in Schedule II to the Companies Act, 2013 and has accordingly, depreciated the assets over such useful lives.

Categories	Years
Buildings	20
Building on leased land	Lease term or 20 years, whichever is less
Leasehold improvements	Lease term or 20 years, whichever is less
Plant & equipment	3 - 5
Office equipments	2 - 3
Furniture & fixtures	3 - 5

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 Application 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.

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 specific identification, 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.

During the current year, the management has decided to change the method of valuation of inventory from weighted average cost method to specific identification with effect from 1 June 2024 . Accordingly, all the purchases made post 1 June 2024 has been valued on item-by-item basis. As per the assessment of the management change is not having material impact on the financial statement.

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.

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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 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.

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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).

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

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directly attributable to acquisition or construction of an 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 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 10 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 payments on short-term leases and leases of low-value

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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 FVTOCI debt instrument is reported as interest income using the EIR method.

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 impairment methodology of the Group depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss is used to provide for impairment loss, otherwise lifetime expected credit loss is used.

However, only in case of trade receivables, the Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The presumption under Ind As 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group, as the Group is able to collect a significant portion of its receivables that exceed the due date.

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).

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'

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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.

The Group holds Derivative financial instruments are initially recognized at fair value on the date the contract is entered into and are subsequently remeasured at fair value at each reporting date. All derivatives are classified as held for trading and are accounted for at fair value through profit or loss (FVTPL), unless they are designated and effective as hedging 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 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 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.

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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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its financial statements.

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, 2025 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 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.

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3. Property, plant and equipment and capital work-in-progress

Gross carrying amount (at deemed cost/ cost)	Leasehold improvements	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total	Capital work- in-progress
Balance as at April 01 2023	3,422.09	376.12	2,807.13	555.06	921.96	8,082.36	401.45
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)	-
Balance as at March 31, 2024	**4,335.95**	**401.58**	**3,777.70**	**776.72**	**892.97**	**10,184.92**	**701.79**
Additions during the period	2,007.47	266.33	2,068.56	494.01	742.09	5,578.46	6,784.91
Disposals/Capitalisation during the period	(484.67)	-	(196.53)	(94.99)	(394.96)	(1,171.15)	(4,429.29)
Balance as at March 31, 2025	**5,858.75**	**667.91**	**5,649.73**	**1,175.74**	**1,240.10**	**14,592.23**	**3,057.41**
Accumulated Depreciation							
Balance as at April 01 2023	1,498.96	35.83	870.47	244.43	148.26	2,797.95	
Depreciation charge for the year	650.81	27.59	395.88	163.25	126.00	1,363.53	
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)	
Balance as at March 31, 2024	**2,041.87**	**63.35**	**1,246.17**	**390.64**	**118.70**	**3,860.73**	
Depreciation charge for the period	786.66	48.39	582.83	216.93	120.86	1,755.67	
Accumulated depreciation on disposals	(484.67)	-	(183.55)	(56.32)	(76.34)	(800.88)	
Balance as at March 31, 2025	**2,343.86**	**111.74**	**1,645.45**	**551.25**	**163.22**	**4,815.52**	
Net carrying amount							
At March 31, 2024	**2,294.08**	**338.23**	**2,531.53**	**386.08**	**774.27**	**6,324.19**	**701.79**
At March 31, 2025	**3,514.89**	**556.17**	**4,004.28**	**624.49**	**1,076.88**	**9,776.71**	**3,057.41**

Notes:

a. Refer note 36 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b. 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, 2025	As at March 31, 2024
Opening balances brought forward	**32.62**	**41.85**
Rent	126.95	59.79
Interest on lease liability	686.82	-
Depreciation on ROU	768.70	-
Power and Fuel	9.48	2.62
Rates and Taxes	17.82	8.80
Repair and maintenance - Others	70.00	10.30
Legal and professional fees	56.78	5.47
Salary	303.10	-
Sub Total	**2072.27**	**128.83**
Less: Allocated to property, plant and equipment	(363.07)	(96.21)
Closing balance included under Capital Work in Progress	**1709.20**	**32.62**

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2025	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress*	3,035.72	21.68	-	-	3,057.40
Projects temporarily suspended	-	-	-	-	-
Total	**3,035.72**	**21.68**	**-**	**-**	**3,057.40**

3. Property, plant and equipment and capital work-in-progress (Contd..)

As at March 31, 2024	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress*	698.96	2.82	-	-	701.78
Projects temporarily suspended	-	-	-	-	-
Total	**698.96**	**2.82**	**-**	**-**	**701.78**

* Capital work in progress is primarily 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 2024-25 and 2023-24.

4. Intangible assets and Intangible assets under development

Particulars	Brand**	Business Intelligence and Application*	Website	Computer Softwares	Total	Intangible assets under development
Gross carrying amount (at deemed cost/ cost)						
Balance as at April 01 2023	**4,017.00**	**51.15**	**41.90**	**56.31**	**4,166.36**	**-**
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)
Balance as at March 31, 2024	**4,017.00**	**111.88**	**41.90**	**56.31**	**4,227.09**	**154.47**
Additions during the year	-	245.23	-	3.10	248.33	57.95
Disposals/Capitalisation during the period	-	(55.44)	-	(36.29)	(91.73)	(208.92)
Balance as at March 31, 2025	**4,017.00**	**301.67**	**41.90**	**23.12**	**4,383.69**	**3.50**
Accumulated Amortisation						
Balance as at April 01 2023	**-**	**29.80**	**27.98**	**37.93**	**95.71**	
Amortisation for the year	-	9.39	7.00	3.86	20.25	
Accumulated amortisation on disposals	-	-	-	-	-	
Deletion on account of deemed disposal of Subsidiary (refer note 5A(b))	-	-	-	-	-	
Balance as at March 31, 2024	**-**	**39.19**	**34.98**	**41.79**	**115.96**	
Amortisation for the period	-	50.07	6.92	3.93	60.92	
Accumulated amortisation on disposals	-	(55.43)	-	(35.49)	(90.92)	
Balance as at March 31, 2025	**-**	**33.83**	**41.90**	**10.23**	**85.96**	
Net carrying amount						
At March 31, 2024	**4,017.00**	**72.69**	**6.92**	**14.52**	**4,111.13**	**154.47**
At March 31, 2025	**4,017.00**	**267.84**	**(0.00)**	**12.89**	**4,297.73**	**3.50**

* included upgradation of ERP, Business Centre (BC)

Note:

a. Refer note 36 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

b. All the above intangible are acquired intangibles except Business Intelligence of Rs. 61.37 (Net Value : 14.72) { 31 March 2024 : Rs. 60.17 (Net value Rs. 23.55)}

Intangible assets under development (IAUD) Ageing Schedule

As at March 31, 2025	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	3.50	-	-	-	3.50
Projects temporarily suspended	-	-	-	-	-
Total	**3.50**	**-**	**-**	**-**	**3.50**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

4. Intangible assets and Intangible assets under development (Contd..)

As at March 31, 2024	Amount in IAUD for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	154.47	-	-	-	154.47
Projects temporarily suspended	-	-	-	-	-
Total	**154.47**	**-**	**-**	**-**	**154.47**

There are no projects whose completion is over due or has exceeded its cost compared to its original plan during the financial year ending 2024-25 and 2023-24.

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, 2025. The recoverable amount of Intangible Asset (Brand) as at March 31, 2025 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, 2025	As at March 31, 2024
i) Discount Rate [a]	10.00%	10.00%
ii) Growth Rate [b]	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.

5. Investments

Particulars	As at March 31, 2025	As at March 31, 2024
A. Investments accounted for using equity method *		
(Investments accounted for using equity method)		
i) In equity shares of Joint venture		
Unquoted, fully paid up		
- Pasadena Retail Private Limited (at Cost) 27,50,000 equity shares of Rs. 10 each fully paid up [a]	275.00	275.00
- Share of Profit / (Loss) in Joint Venture	113.37	106.24
	388.37	**381.24**
ii) In equity shares of Associate		
Unquoted, fully paid up		
- Silvercity Brands AG		
- Silvercity Brands AG (at cost) 24,46,000 (March 31, 2024: 21,00,000) equity shares of CHF 1 each fully paid up [b]	3,020.39	2,068.73
- Share of (loss) in associate	(199.88)	(6.78)
- Exchange Differences on translation of foreign operations and adjustment on account of shareholding	235.88	(42.05)
	3,056.39	**2,019.90**
	3,444.76	**2,401.14**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

5. Investments (Contd..)

Particulars	As at March 31, 2025	As at March 31, 2024
B. Investment		
(Investment carried at Fair value through profit or loss)		
i) In the equity of other Companies		
(Investment carried at Fair value through profit or loss)		
In the equity of other Companies (Fair value through profit and loss)		
Unquoted, fully paid up		
- Haute-rive Watches SA, 8,19,672 equity shares of CHF 0.01 each [c]	177.45	134.92
Aggregate value of unquoted investments	**177.45**	**134.92**

* Refer Note 41

a) The Parent company has further invested an amount of Rs. Nil (March 31, 2024: 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, 2025, the Parent company owns 50% shareholding (March 31, 2024: 50%) in Pasadena Retail Private Limited.

b) During the year ending March 31, 2024, 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 of the Company with effect from March 11, 2024. Henceforth, Silvercity Brands AG has been identified as an associate of the Company as on March 31, 2024.

During the year ending March 31, 2025, Company has invested Rs. 951.66 to acquire 3,46,000 shares of nominal value of CHF 1 each out of 12,20,000 shares allocated by Silvercity Brands AG, resulted into further reduction of shareholding to 33.88%.

c) During the year ended March 31, 2024, The Parent 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* (at amortised cost)

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
(unsecured, considered good)		
Loan to employees		
- to related party** (refer note no. 38)	-	0.70
- to others	-	1.00
	-	**1.70**

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
(unsecured, considered good)		
Loan to employees		
- to related party (refer note no. 38)	-	7.48
- to others	4.68	16.25
	4.68	**23.73**

*The Group's exposure to credit and currency risk, and loss allowances related to other non current financial assets are disclosed in note 33.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

7. Other financial assets (at amortised cost)

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	2,592.36	1,992.44
Fixed Deposits with remaining maturity of more than 12 months from the Balance sheet date#	170.21	822.20
Interest accrued but not due on fixed deposits.	0.37	2.35
	2,762.94	**2,816.99**

#These deposits include restricted bank deposits amounting to Nil (March 31, 2024 : Rs.821.99) on account of deposits pledged as security for bank guarantees.

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Security deposits		
- Security deposits	607.46	744.30
Right of return assets	1.77	21.31
Interest accrued but not due on fixed deposits*	482.12	821.81
Advances Recoverable		
- to related parties (refer note no. 38)	27.60	100.89
- to others.	0.38	176.42
Others **	2.38	300.27
Less: Allowance for bad and doubtful advances recoverable		
- Security Deposit	(5.00)	-
	1,116.71	**2,165.00**

* Includes interest on unutilised proceeds from Initial Public Offer (IPO) received amounting to Rs. 1.34 (March 31, 2024: Rs. 2.50) which have been temporarily invested in deposits with scheduled banks. Refer note 47.

And also includes interest on unutilised proceeds from Qualified institutional placement (QIP) received amounitng to Rs.245.20 (March 31, 2024: 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.

** Includes consideration receivable for sale of vehicle.

8. Non-current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current tax assets (net of provision)	171.06	209.58
	171.06	**209.58**

9. Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Significant components of the Group's net deferred tax assets are as follows:		
Deferred tax assets	7,439.58	3,907.77
Deferred tax liabilities	(6,498.06)	(3,003.86)
Net deferred tax assets	**941.52**	**903.91**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(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
Year ended March 31, 2025				
Deferred tax assets:				
Deferred tax assets on				
Property, plant and equipment and Intangible assets	174.66	(50.47)	-	124.19
Allowance for doubtful debts and advances	5.08	26.39	-	31.47
Provision for employee benefits	202.55	18.19	4.70	225.44
Provision other - expenses	34.85	50.74	-	85.59
Lease liabilities	3,470.88	3,473.34	-	6,944.22
Exchange Differences on translation of foreign Operations	10.58	-	-	10.58
Others #	9.17	8.92	-	18.09
Deferred tax liability on				
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)	(10.70)	-	(16.28)
Right of use assets	(2,974.05)	(3,413.51)	-	(6,387.56)
Gain on investments accounted for using equity method	(16.97)	(69.98)	-	(86.95)
Net deferred tax assets	**903.90**	**32.92**	**4.70**	**941.52**

Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
Year ended March 31, 2024				
Deferred tax assets:				
Deferred tax assets on				
Property, plant and equipment and Intangible assets	197.79	(23.14)	-	174.65
Allowance for doubtful debts and advances	4.76	0.32	-	5.08
Provision for employee benefits	248.56	(49.77)	3.75	202.54
Provision - other expenses	38.57	(3.72)	-	34.85
Lease liabilities	2,829.95	640.96	-	3,470.91
Exchange Differences on translation of foreign operations	-	10.58	-	10.58
Others #	5.55	3.62	-	9.17
Deferred tax liability on				
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)	-	(2,974.05)
Gain on investments accounted for using equity		(16.97)	-	(16.97)
Net deferred tax assets	**860.61**	**39.55**	**3.75**	**903.91**

#Include primarily deposits amortisation and interest income thereon as per Ind AS 109

10. Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Capital advances (refer note no 38 for related party)	1,177.15	295.73
Advances other than capital advances		
- Prepaid expenses	7.38	6.47
- CENVAT credit receivable	49.48	55.57
	1,234.01	**357.77**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

11. Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
(At lower of cost and net realisable value)		
Stock-in-trade [including goods-in-transit Rs.97.66 (March 31, 2023: Rs.120.75)]	59,267.06	43,969.18
	59,267.06	**43,969.18**

Notes:-

1. As on March 31, 2025, Rs.135.21 (March 31, 2024: Rs.132.44) was recognised as an expense for inventories carried at net realisable value.

2. Inventories comprises of traded goods are valued at the lower of cost and net realisable value.

   The cost of inventories is based on the specific identification, 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.

   During the current year, the management has decided to change the method of valuation of inventory from weighted average cost method to specific identification with effect from 1 June 2024 . Accordingly, all the purchases made post 1 June 2024 has been valued on item-by-item basis. As per the assessment of the management change is not having material impact on the financial statement.

12. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Trade receivables #		
- Related parties (Refer note no. 38)	105.00	94.79
- Others	1,720.95	1,462.40
	1,825.95	**1,557.19**

Break-up of trade receivables:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables		
Considered good	1,825.95	1,557.19
Credit impaired	18.39	15.68
	1,844.34	**1,572.87**
Impairment Allowance (allowance for doubtful debts)		
Credit impaired	(18.39)	(15.68)
	1,825.95	**1,557.19**

Trade receivables are non-interest bearing and generally on terms of 0 to 120 days.

There are no unbilled receivables, hence the same is not disclosed in ageing schedule.

There is due from Directors is nil (March 31, 2024: Rs. 22.14).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

12. Trade receivables (Contd..)

Trade receivables ageing schedule

As at March 31, 2025	Outstanding for following periods from date of transaction					
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	Total
Undisputed Trade Receivable - considered good	1,815.00	0.47	0.19	10.29	-	1,825.95
Undisputed Trade Receivable - which have significant increase in credit risk	18.39	-	-	-	-	18.39
Total	**1,833.39**	**0.47**	**0.19**	**10.29**	**-**	**1,844.34**

As at March 31, 2024	Outstanding for following periods from date of transaction					
	<6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	>3 years	Total
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
Total	**1,483.11**	**79.47**	**10.29**	**-**	**-**	**1,572.87**

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, 2025	As at March 31, 2024
Balances with banks in		
- Current accounts*	1,273.69	2,319.34
- Fixed Deposits with original maturity of less than three months**	900.00	3,153.00
Cheques and drafts on hand	23.71	-
Cash on hand	266.55	245.68
Others		
- Mutual Fund	100.67	-
- Credit cards receivable	283.39	339.89
	2,848.01	**6,057.91**

* Balance as on March 31, 2024 includes Rs. 79.72 (March 31, 2024: Rs. 59.84) balance of unutilised Initial Public Offer (IPO) proceed with monitoring agency bank account. Refer note 47.

Balance as on March 31, 2025 includes Rs. 3.67 (March 31, 2024: Rs. 0.64) balance of unutilised Qualified Institutional Placement (QIP) procced with monitoring agency bank account. Refer note 48.

** Fixed deposits include balance of Initial Public Offer (IPO) proceeds of Rs.900 (March 31, 2024: Rs. 2,603) which will be utilised as stated in the prospectus of IPO. Net unutilised proceeds from IPO as on March 31, 2025 have been temporarily invested in deposits with scheduled bank. Refer note 47.

14. Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed Deposits with original maturity of more than 3 months and having remaining maturity of less than 12 months from the Balance sheet date #	19,154.44	28,488.15
	19,154.44	**28,488.15**

These deposits include restricted bank deposits amounting to Rs.2,645.81 (March 31, 2024 : Rs. 1,031.93) 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.8,500 which will be utilised as stated in the preliminary placement document for QIP. Net unutilised proceeds from QIP as on March 31, 2025 have been temporarily invested in deposits with scheduled bank. Refer note 47.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

15. Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	107.00	69.89
Advances for supply of goods		
- Related parties (Refer note 38)	212.71	0.35
- Others	791.01	825.57
Advances to employees		
- Related parties (Refer note 38)	40.81	-
- Others	91.06	42.99
GST credit receivable	3,496.54	3,073.62
VAT recoverable	3.40	3.40
Deposit under protest	143.37	52.53
Duty Credit Scrips	4.57	23.57
Other recoverable #	49.22	56.89
Less: Allowance for bad and doubtful advances/recoverable		
- Other recoverable	(39.60)	-
- Deposit under protest	(60.08)	-
- Advance for supply of goods	(4.49)	(4.49)
	4,835.52	**4,144.31**

mainly includes amount recoverable from insurance company.

16. Share capital

Particulars	As at March 31, 2025	
	Number of shares	Amount
Authorised		
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
	3,34,76,924	**6,140.00**
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	2,44,80,443	**2,448.04**

Particulars	As at March 31, 2024	
	Number of shares	Amount
Authorised		
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
	3,34,76,924	**6,140.00**
Issued subscribed and fully paid up		
Equity shares of Rs.10 each fully paid up	2,44,80,443	2,448.04
	2,44,80,443	**2,448.04**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

16. Share capital (Contd..)

(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 ensuring 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.

(b) Reconciliation of shares outstanding

Particulars	As at March 31, 2025	
	Number of shares	Amount
Equity shares of Rs.10 each fully paid up		
At the beginning of the year	2,44,80,443	2,448.04
Add: Issued during the year*	-	-
At the end of the year	**2,44,80,443**	**2,448.04**

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	113.11
At the end of the year	**2,44,80,443**	**2,448.03**

** During the previous 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 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.

(c) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Particulars	As at March 31, 2025	
	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)	7,54,640	75.46

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

(d) Particulars of shareholders holding more than 5% shares of the Company

Particulars	As at March 31, 2025	
	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	7,54,640	3.08%
ICICI Prudential Flexicap Fund	16,69,569	6.82%

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

16. Share capital (Contd..)

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%

(e) Bonus shares, shares buyback and issue of shares without consideration being received in cash (during five years immediately preceding March 31, 2025).

During the five years immediately preceding March 31, 2025 ('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:-

(i) 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.

(ii) 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) Promotors Shareholdings

Equity shares of Rs.10 each fully paid up held by

Promoter's name	As at March 31, 2025		
	No. of shares	% of total shares	% change during the year
1) KDDL Limited	1,15,13,877	47.03%	-
2) Mahen Distribution Limited	7,54,640	3.08%	(3.72%)
3) Mr. Yashovardhan Saboo	138	0.00%	-
Total	**1,22,68,655**	**50.12%**	

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%)
Total	**1,31,78,549**	**53.83%**	

17. Other equity

(also refer to Statement of Changes in Equity)

(i) Deemed capital contribution

a) Includes Rs.14.51 towards fair value of guarantees given by the Holding Company of parent company in the earlier years.

b) 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) Share options outstanding account

The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share option outstanding account.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

17. Other equity (Contd..)

(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 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.

18. Borrowings

Particulars		As at March 31, 2025	As at March 31, 2024
i) Non-current borrowings			
Term-loans			
From banks (secured)	(a)	-	20.13
From others (secured)	(a)	17.82	22.65
Deposits from shareholders (unsecured)(refer to note 38 for related party disclosure)	(b)	178.19	627.07
Total non-current borrowings (including current maturities)		**196.01**	**669.85**
Less : Current maturities of non-current borrowings [refer to note 18(ii)]		(183.46)	(463.87)
		12.55	**205.98**

Notes:

a) Vehicle loans from banks amounting to Nil (March 31, 2024: Rs.20.13) are secured against hypothecation of the specified vehicle purchased from proceeds of the said loan. The rate of interest on vehicle loans is Nil (March 31, 2024: 7.10% to 9.25%).

Vehicle loan from others amounting to Rs.17.82 (March 31, 2024: 22.65) 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, 2024: 8.88%). The above loan is repayable in monthly instalments within a period of next one to three years as per repayment schedule.

b) Deposits from Shareholders carry an interest rate ranging between Nil% (March 31, 2024: 10.25% to 10.75%) per annum and carry a maturity period from 6 to 12 months from the respective date of deposits.

Particulars	As at March 31, 2025	As at March 31, 2024
ii) Current borrowings		
Current maturities of non-current borrowings [refer note 18(i)]	183.46	463.87
	183.46	**463.87**

* Including payable to related parties. Refer note 39

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

18. Borrowings (Contd..)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year (including current and non-current borrowings)	**669.85**	**799.02**
Proceeds from non-current borrowings	-	26.75
Repayment of non-current borrowings	(4.83)	(112.05)
Proceeds from/repayments of other current borrowings (net)	(469.01)	(43.87)
Balance as at the end of the year (including current and non-current borrowings)	**196.01**	**669.85**

Movement of Interest accrued

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance as at the beginning of the year	**105.39**	**54.10**
Interest Expense	1,926.88	1,599.14
Interest Paid	(1,976.46)	(1,547.85)
Balance as at the end of the year	**55.81**	**105.39**

19. Other financial Liabilities

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	-	34.59
	-	**34.59**

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
Refund Liabilities	3.50	41.25
Capital creditors	433.25	410.62
Other Payables	479.12	-
Salaries, wages and bonus and other employee payable *	1,304.73	1,840.61
Derivative Instruments**	13.43	-
Interest accrued but not due on borrowings *	51.64	66.62
	2,285.67	**2,359.10**

* Refer note 38 for related parties disclosure

** Derivative instrment liability includes mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks.

20. Employee benefit obligations

i) Non-current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity (Refer note 35)	288.30	249.50
	288.30	**249.50**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

20. Employee benefit obligations (Contd..)

ii) Current

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Provision for gratuity (Refer note 35)	45.87	59.67
Provision for compensated absences	431.40	403.00
	477.27	**462.67**

21. Trade payables*

Particulars	As at March 31, 2025	As at March 31, 2024
- Micro enterprises and small enterprises #	256.29	265.95
- Trade payables to related parties (Refer to note 38)	27.94	4.25
- Other trade payables	8,591.52	9,326.57
	8,875.75	**9,596.77**

Trade payables ageing schedule

As at March 31, 2025	Outstanding for following periods from due date of payment					
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	235.15	21.04	0.10	-	-	256.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	908.92	7,223.76	87.67	81.53	0.04	8,301.92
Disputed dues of creditors other than micro enterprises and small enterprises**	-	-	16.36	4.11	297.07	317.54
Total	**1,144.07**	**7,244.80**	**104.13**	**85.64**	**297.11**	**8,875.75**

As at March 31, 2024	Outstanding for following periods from due date of payment					
	Not due ##	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
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
Total	**936.81**	**8,241.18**	**105.78**	**4.93**	**308.07**	**9,596.77**

There are Rs.21.14 for March 31, 2025 (March 31, 2024: 6.11) 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.1057.59 (March 31, 2024: Rs.480.54).

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

21. Trade payables* (Contd..)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) The principal amount remaining unpaid to any supplier at the end of the year	329.17	374.05
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of year	3.53	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	3.53	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.

22. Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred revenue	574.91	564.30
Statutory dues	335.68	203.18
Revenue received in advance	1,013.56	652.24
Interest payable-others*	7.29	4.18
	1,931.44	**1,423.90**

* Includes interst on delayed payment of outstanding due from Micro, Small and Medium Enterprises creditors for Rs. 5.78 (March 31, 2024: Rs. 2.25)

Below is the movement of Deferred revenue:-

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**564.30**	**422.84**
Add: Loyalty points created during the year	1,779.94	682.55
Less: Loyalty points redeemed/expired during the year	(1,769.33)	(541.09)
Balance as at the end of the year	**574.91**	**564.30**

23. Current tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for income tax (net)	14.28	39.18
	14.28	**39.18**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

24. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
- Sale of goods	1,24,454.72	99,308.81
- Rendering of services	707.99	590.40
	1,25,162.71	**99,899.21**

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, 2025	For the year ended March 31, 2024
Revenue as per contracted price	1,25,173.32	1,00,040.67
Less: (Creation) of loyalty points	(10.61)	(141.46)
	1,25,162.71	**99,899.21**

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from customers

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade Receivables (Refer Note No. 12)	1,825.95	1,557.19
Deferred revenue (Refer Note No. 22)	574.91	564.30
Revenue received in advance (Refer Note No. 22)	1,013.56	652.24

Movement of Revenue received in advance as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	**652.24**	**754.64**
Revenue recognised / other adjustments during the year	(576.94)	(696.46)
Customer advance written back during the year	(75.30)	(58.18)
Advance received during the year	1,013.56	652.24
Balance at the end of the year	**1,013.56**	**652.24**

In respect to advance from customers, the company expect revenue to be recognied over the period of next 1 year from reporting year.

25. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income under the effective interest rate method on		
- Fixed Deposits	1,941.21	1,679.37
- Security deposits at amortised cost	212.97	149.33
- Others	30.52	-
Provisions/liabilities no longer required written back	75.82	166.04
Profit on disposal of property, plant & equipment (Net)	-	55.76
Fair value gain on investments carried at fair value through profit or loss	42.53	22.16
Gain on deemed disposal of subsidiary (refer note 49)	-	225.80
Miscellaneous Income*	126.93	63.22
	2,429.98	**2,361.68**

* mainly includes gain on early termination of lease liabilities and income on account of cross charge of certain services.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

26. Changes in inventory of stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventory at the beginning of the year	43,969.18	33,987.29
Less: Inventory at the end of the year	(59,267.06)	(43,969.18)
(Increase)/ Decrease in inventory	**(15,297.88)**	**(9,981.89)**

27. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	7,866.20	6,564.90
Contribution to provident and other funds (Refer Note 35)	373.75	288.99
Staff welfare expenses	293.62	216.14
	8,533.57	**7,070.03**

28. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on borrowings	95.66	84.24
Interest on lease liabilities (Refer note 37)	1,824.71	1,511.36
Interest on delay in deposit of income tax	6.51	3.54
Other finance charges*	13.43	-
Other borrowing cost**	3.53	2.66
	1,943.84	**1,601.80**

*Other finance charges includes, mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks.

** Includes overdue interest due on Micro Small and Medium Enterprises

29. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	1,755.66	1,363.52
Amortisation of intangible assets (Refer note 4)	60.92	72.45
Depreciation of Right-of-use of assets (Refer note 37)	4,483.73	3,431.49
	6,300.31	**4,867.46**

30. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	350.39	266.62
Service cost expense	592.82	455.18
Insurance	141.89	121.50
Rent (net of reimbursements of Rs. 1.20 (March 31, 2024: Rs. 13.11)) (Refer note 37)	645.75	820.48
Rates and taxes	163.93	146.17
Repair and maintenance- Others	1,124.35	906.94
Foreign exchange loss (net)	163.18	98.28
Travelling and conveyance	1,279.25	688.16
Advertisement and sales promotion (Refer note 38)	2,433.49	2,100.17
Printing and stationery	35.30	41.21
Recruitment expenses	100.27	57.05

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

30. Other expenses (Contd..)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Telephone and telex	78.53	84.43
Postage and telegram	468.99	387.80
Legal and professional fees (a)	721.27	504.22
Bank charges	803.91	601.46
Allowance for bad and doubtful debts	2.71	1.26
Advances/deposits/Bad debts written off (Net)(a)	22.98	39.40
Allowance for doubtful advances/recoverable/security deposit	107.14	-
Loss on sale of property, plant and equipment	54.18	-
Property, plant and equipment written off	21.26	8.87
Corporate Social Responsibility expenditure (Refer note 40)	147.41	78.43
Miscellaneous expenses	495.41	414.02
	9,954.41	**7,821.65**

(a) Movement of Advances / deposits/Bad debts written off

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bad debts / Advances written off	22.98	39.40
Less: Provision for doubtful debts / advances adjusted	-	-
	22.98	**39.40**

31. Tax expense

a) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
Current year	3,431.93	2,786.45
Changes in estimates related to prior years	48.93	44.29
	3,480.86	**2,830.74**
Attributable to–		
Deferred tax		
Origination and reversal of temporary differences	(56.14)	15.53
Changes in estimates related to prior years	(46.65)	(44.52)
Total tax expense recognised during the period	**3,378.07**	**2,801.75**

The above tax expense for the period can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax^	**13,006.86**	**11,131.21**
Tax at the Indian tax rate *	3,352.73	2,779.57
Effect of expenses that are not deductible in determining taxable profit	23.06	22.41
Effect of (profit)/loss that are exempt from tax	-	-
Effect of tax (benefit) / expense pertaining to prior years	2.28	(0.23)
Others		
Income tax expense recognised in statement of profit and loss	**3,378.07**	**2,801.75**

* 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.

^ Silverscity Tax - note to be inserted here

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

31. Tax expense (Contd..)

b) Income tax expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax assets/(liabilities)		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	4.70	3.75
Total income tax recognised in other comprehensive income	**4.70**	**3.75**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	4.70	3.75
Items that may be reclassified to profit or loss	-	-
	4.70	**3.75**

32. Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Basic earnings per share		
i Profit for basic earning per share of Rs.10 each		
Profit for the year	9,628.79	8,329.46
Less : dividend on convertible preference shares, net of tax	-	-
	9,628.79	**8,329.46**
ii Weighted average number of equity shares for (basic)		
Opening Balance	2,44,80,443	2,33,49,233
Effect of fresh issue of shares	-	4,64,881
	2,44,80,443	**2,38,14,114**
Basic Earnings per share (face value of Rs.10 each)	39.33	34.98
B. Diluted earnings per share		
i Profit for diluted earning per share of Rs.10 each	9,628.79	8,329.46
ii Weighted average number of equity shares for diluted		
Opening Balance	2,44,80,443	2,33,49,233
Effect of fresh issue of shares	-	4,64,881
	2,44,80,443	**2,38,14,114**
Diluted earnings per share (face value of Rs.10 each)	39.33	34.98

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, 2025			As at March 31, 2024		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets								
Non-current								
Non-derivative financial assets								
Investment	(a)	3	177.45	-	-	134.92	-	-
Loans	(b)	3	-	-	-	-	1.70	-
Other financial assets	(b)	3	-	2,762.94	-	-	2,816.99	-
Current								
Non-derivative financial assets								
Trade receivables	(c)	3	-	1,825.95	-	-	1,557.19	-
Cash and cash equivalents	(c)	3	-	2,848.01	-	-	6,057.91	-
Other bank balances	(c)	3	-	19,154.44	-	-	28,488.15	-
Loans	(c)	3	-	4.68	-	-	23.73	-
Other financial assets	(c)	2	-	1,116.71	-	-	2,165.00	-
Total financial assets			**177.45**	**27,712.73**	**-**	**134.92**	**41,110.67**	**-**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

33. Financial instruments - fair values and risk management (Contd..)

Financial instruments by category and fair values	Note	Level of hierarchy	As at March 31, 2025			As at March 31, 2024		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial liabilities								
Non-current								
Non-derivative financial liabilities								
Borrowings	(d)	3	-	12.55	-	-	205.98	-
Other Non current financial Liabilities	(b)	2	-	-	-	-	34.59	-
Current								
Non-derivative financial liabilities								
Borrowings (including current maturities)	(c)	3	-	183.46	-	-	463.87	-
Trade payables	(c)	3	-	8,875.77	-	-	9,596.78	-
Other financial liabilities	(c)	2	-	2,272.24	-	-	2,359.10	-
Derivative financial liabilities								
Forward contracts	(e)	2	13.43		-	-		-
Total financial liabilities			**13.43**	**11,344.02**	**-**	**-**	**12,660.32**	**-**

Notes:

(a) The fair value in respect of the unquoted equity investments has been determined using discounted cash flow method and Market comparison technique based on market multiples derived from quoted prices of companies comparable to the investee. The significant unobservable inputs used are expected cash flows, estimated EBITDA of the investee.

(b) Fair value of non-current financial assets and non- current financial liablilites has not been disclosed as there is no significant differences between carrying value and fair value.

(c) 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.

(d) 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.

(e) The fair value of derivative financial instrument has been determined using valuation techniques with market observable input. The model incorporate various input include the credit quality of counter-parties and foreign exchange forward rate.

(f) There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2025 and March 31, 2024.

II. Financial risk management

(i) Risk management framework

The Parent Company's risk management committe 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 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))

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

33. Financial instruments - fair values and risk management (Contd..)

(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, 2025	As at March 31, 2024
Balance as at the beginning of the year	**15.68**	**3.91**
Provision created during the year	18.39	11.77
Provision utilised/reversed during the year	(15.68)	-
Balance as at the end of the year	**18.39**	**15.68**

The movement in the allowance for doubtful advances/recoverable is as follows: (Refer Note 7 & 15)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at the beginning of the year	**4.49**	**15.00**
Provision created during the year	99.68	-
Provision utilised/reversed during the year	-	(10.51)
Balance as at the end of the year	**104.17**	**4.49**

Cash and cash equivalents

The Group holds cash and cash equivalents of Rs.2,848.01 at March 31, 2025 (March 31, 2024: Rs.6,057.91). The cash and cash equivalents are mainly held with scheduled banks.

(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. 11,000 is underdrawn as on March 31, 2025.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

33. Financial instruments - fair values and risk management (Contd..)

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, 2025

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow: Less than 1 year	Contractual cash flow: 1-5 years	Contractual cash flow: More than 5 years
Non derivative financial liabilities					
- Borrowings	196.01	251.68	237.90	13.78	-
- Trade payables	8,875.77	8,875.77	8,875.77	-	-
- Lease liabilities	28,676.09	38,953.67	6,809.66	23,159.50	8,984.51
- Capital creditors	433.25	433.25	433.25	-	-
- Other Payables	479.12	479.12	479.12	-	-
- Salaries, wages and bonus and other employee payable	1,304.73	1,304.73	1,304.73	-	-
- Interest accrued but not due on borrowings	51.64	51.64	51.64	-	-
- Refund Liabilities	3.50	3.50	3.50	-	-
	40,020.11	**50,353.36**	**18,195.57**	**23,173.28**	**8,984.51**
Derivative financial liabilities*					
- Forward contracts	13.43	13.43	13.43	-	-
	13.43	**13.43**	**13.43**	**-**	**-**

March 31, 2024

Particulars	Carrying amount of liabilities	Total undiscounted contractual cash flows	Contractual cash flow: Less than 1 year	Contractual cash flow: 1-5 years	Contractual cash flow: 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	17,911.06	4,069.80	12,101.19	1,740.07
- Capital creditors	410.62	410.62	410.62	-	-
- Other Payables	-	-	-	-	-
- 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	-	-
	26,492.17	**30,636.98**	**16,560.10**	**12,336.81**	**1,740.07**
Forward financial liabilities					
- Forward Instruments	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

* Derivative financial liabilities includes other finance charges includes, mark to mark (MTM) loss on forward contracts for CHF 10,50,000 with multiple banks.

(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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

33. Financial instruments - fair values and risk management (Contd..)

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, 2025, 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 March 31, 2025	As at March 31, 2024
Fixed rate borrowings	196.01	669.85
	196.01	**669.85**

Interest rate sensitivity analysis

The entity has no floating rate borrowings as of the reporting date. Consequently, changes in market interest rates do not have a direct impact on the profit or loss, and the interest rate risk is considered minimal.

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 March 31, 2025	As at March 31, 2024
CHF		
Trade payables (net of receivable)	933.79	1,652.82
Less: Cash and Cash equivalents	109.30	88.20
Net exposure / (surplus) of recognised financial liability / (Asset)	**824.49**	**1,564.62**
USD		
Trade payables (net of receivable)	579.91	260.67
Less: Cash and Cash equivalents	1.96	8.82
Net exposure / (surplus) of recognised financial liability / (Asset)	**577.95**	**251.85**
AED		
Trade payables (net of receivable)	(12.11)	27.83
Net exposure / (surplus) of recognised financial liability / (Asset)	**(12.11)**	**27.83**
AUD		
Less: Cash and Cash equivalents	-	1.02
Net exposure / (surplus) of recognised financial liability / (Asset)	**-**	**(1.02)**
GBP		
Trade payables (net of receivable)	(2.07)	-
Less: Cash and Cash equivalents	-	-
Net exposure / (surplus) of recognised financial liability / (Asset)	**(2.07)**	**-**
SGD		
Trade payables (net of receivable)	-	7.67
Less: Cash and Cash equivalents	0.27	-
Net exposure / (surplus) of recognised financial liability / (Asset)	**(0.27)**	**7.67**
EUR		
Trade payables (net of receivable)	(135.27)	56.98
Less: Cash and Cash equivalents	-	0.27
Net exposure / (surplus) of recognised financial liability / (Asset)	**(135.27)**	**56.72**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

33. Financial instruments - fair values and risk management (Contd..)

Forward contracts outstanding as at the end of the year	As at March 31, 2025		As at March 31, 2024	
	Amount (Rs.)	Amount in foreign currency	Amount (Rs.)	Amount in foreign currency
CHF	1,030.45	10.50	-	-

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, 2025	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (5% movement)	(41.22)	41.22
SGD (5% movement)	0.01	(0.01)
EUR (5% movement)	6.76	(6.76)
USD (5% movement)	(28.90)	28.90
GBP (5% movement)	0.10	(0.10)
AED (5% movement)	0.61	(0.61)
AUD (5% movement)	-	-

As at March 31, 2025	Equity (net of tax)	
	Strengthening	Weakening
CHF (5% movement)	(30.85)	30.85
SGD (5% movement)	0.01	(0.01)
EUR (5% movement)	5.06	(5.06)
USD (5% movement)	(21.62)	21.62
GBP (5% movement)	0.08	(0.08)
AED (5% movement)	0.45	(0.45)
AUD (5% movement)	-	-

As at March 31, 2024	Profit / (Loss) (before tax)	
	Strengthening	Weakening
CHF (5% movement)	(78.23)	78.23
SGD (5% movement)	(0.38)	0.38
EUR (5% movement)	(2.84)	2.84
USD (5% movement)	(12.59)	12.59
GBP (5% movement)	-	-
AED (5% movement)	(1.39)	1.39
AUD (5% movement)	0.05	(0.05)

As at March 31, 2024	Equity (net of tax)	
	Strengthening	Weakening
CHF (5% movement)	(58.54)	58.54
SGD (5% movement)	(0.29)	0.29
EUR (5% movement)	(2.12)	2.12
USD (5% movement)	(9.42)	9.42
GBP (5% movement)	-	-
AED (5% movement)	(1.04)	1.04
AUD (5% movement)	0.04	(0.04)

CHF: Swiss Franc, USD: US Dollar, SGD: Singapore Dollar, EUR: Euro, GBP: Pound Sterling, AED: Emirati Dirham, AUD: Australian dollar.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

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 March 31, 2025	As at March 31, 2024
Total Debt including trade payable	37,747.88	24,098.48
Less: cash and cash equivalents	(2,848.01)	(6,057.91)
Adjusted net debt	**34,899.87**	**18,040.57**
Total equity	98,219.68	88,396.69
Adjusted net debt to equity ratio	**0.36**	**0.20**

35. Employee benefits

I. Assets and liabilities relating to employee benefits

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Liability for gratuity	288.30	0.00
	288.30	**0.00**
Current		
Liability for gratuity	45.87	0.00
Liability for compensated absences	431.40	59.67
	477.27	**59.67**
Total	**765.57**	**59.67**

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:

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

35. Employee benefits (Contd..)

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 March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**337.82**	**252.37**
Benefits paid	(63.26)	(5.45)
Current service cost	76.53	57.55
Interest cost	24.39	18.57
Actuarial (gains) / losses on experience adjustments recognised in other comprehensive income	18.42	14.78
Balance at the end of the year	**393.90**	**337.82**

c) Reconciliation of the present value of plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**28.65**	**22.23**
Contributions paid into the plan	32.00	9.93
Interest Income	2.08	1.66
Benefits paid	(2.95)	(5.45)
Return on plan assets recognised in other comprehensive income	(0.05)	0.28
Balance at the end of the year	**59.73**	**28.65**

d) Expense recognised in profit or loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	76.53	57.55
Interest Income	(2.08)	(1.66)
Interest cost	24.39	18.58
Balance at the end of the year	**98.84**	**74.47**

e) Remeasurements recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (Gain)/loss on defined benefit obligation	18.42	14.78
Actuarial (Gain)/loss on defined plan assets	0.05	(0.28)
Balance at the end of the year	**18.47**	**14.50**

f) Plan assets

100% of the plan assets are managed by LIC

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

35. Employee benefits (Contd..)

g) Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate (per annum)	6.99% p.a.	7.22% p.a.
Future salary growth rate (per annum)	6.00% p.a.	6.00% 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, 2025	
	Increase	Decrease
Discount rate (0.5% movement)	(11.53)	12.22
Future salary growth rate (0.5% movement)	11.10	(10.59)

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)

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 contribution to be paid in next year:

Particulars	As at March 31, 2025	As at March 31, 2024
Service Cost	67.56	94.30
Net Interest Cost	22.32	25.46
Expected Expense for the next annual reporting period	89.88	119.76

i) Expected benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Within 1 year	60.40	71.59
1-2 year	24.54	22.21
2-3 year	31.68	20.31
3-4 year	39.83	24.54
4-5 year	24.45	25.70
5 years onwards	213.00	173.47

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

35. Employee benefits (Contd..)

j) Weighted average duration of the defined benefit plan

Particulars	As at March 31, 2025	As at March 31, 2024
Weighted average duration (in years)	8.27	8.19

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.272.08 during the period (March 31, 2024: Rs.211.17) 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, 2025	As at March 31, 2024
a) Income Tax matters	527.77	484.95
b) Excise Duty matters	65.77	65.77
c) Customs duty matters	-	12.90
d) Goods and Services Tax matters	1,746.40	12.15

The Company pending litigations pertaining to proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required or disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

ii) Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,012.70	1,056.35

iii) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

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 - 10 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.

The carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Building	Furniture	Total
As at March 31, 2023	**10,239.92**	**105.12**	**10,345.04**
Additions	5,581.90	109.07	5,690.97
Deletions	(63.49)	-	(63.49)
Depreciation expense	(3,377.64)	(53.85)	(3,431.49)
As at March 31, 2024	**12,380.69**	**160.34**	**12,541.03**
Additions	19,951.43	-	19,951.43
Deletions	(1,194.99)	-	(1,194.99)
Depreciation expense through Pre-Operative Expenses	(768.70)	-	(768.70)
Depreciation expense through Income Statement	(4,422.85)	(60.88)	(4,483.73)
As at March 31, 2025	**25,945.58**	**99.46**	**26,045.04**

The carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	13,831.86	11,273.55
Additions	19,348.41	5,441.30
Accretion of interest through Pre-Operative Expenses	735.88	-
Accretion of interest through Income Statement	1,824.71	1,511.36
Deletions	(1,299.03)	(68.13)
Payments (Principal and interest)*	(5,765.74)	(4,326.22)
At the closing of the year	**28,676.09**	**13,831.86**
Current lease liabilities	4,179.48	2,731.21
Non-current lease liabilities	24,496.61	11,100.65
Total	**28,676.09**	**13,831.86**

The details regarding the maturity analysis of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Within one year	6,809.66	4,069.80
After one year but not more than five years	23,159.50	12,101.19
More than five years	8,984.51	1,740.07
Total	**38,953.67**	**17,911.06**

Considering the lease term of the leases, the effective interest rate for lease liabilities ranges between 9.80% and 10.25% (March 31, 2024: 11.33%).

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

37. Leases (Contd..)

The following are the amounts recognised in profit or loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	4,532.70	3,431.49
Interest expense on lease liabilities	1,840.86	1,511.36
Expense relating to short-term leases and variable rent (included in other expenses)**	646.24	833.59
Total amount recognised in profit or loss	**7,019.80**	**5,776.44**

*The Group had total cash outflows for leases excluding rent concession of Rs. 5,765.74 (March 31, 2024: Rs. 4,326.22).

** Gross of reimbursement received of Rs.13.20 (March 31, 2024: Rs. 13.11).

38. Related parties

(i) Holding Company :

KDDL Limited (KDDL)

(ii) Joint venture :

Pasadena Retail Private Limited

(iii) Subsidiaries :

Cognition Digital LLP

(iv) Associate :

Silvercity Brands AG

(v) Entities under common control (where transactions have taken place during the year / balances outstanding) :

Mahen Distribution Limited

Pylania SA

VBL Innovations 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

(vi) Details of transactions entered into with the related parties:

Key Managerial Personnels and relatives of Key Managerial Personnels

Mr.Y.Saboo (Chairman and Managing Director)

Relative details

Mrs. Usha Devi Saboo (Mother)

Mrs. Anuradha Saboo (Spouse)

Mr. Jai Vardhan Saboo (Brother)

Mrs. Satvika Suri (Daughter)

Mr. Siddharth Suri (Daughter's husband)

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

38. Related parties (Contd..)

Mr. Pranav Shankar Saboo - Managing Director and CEO (w.e.f. April 1, 2024).

Mr. Anil Khanna - Independent Director

Relative details

Mrs Alka Khanna (Spouse)

Mr. Saahil Khanna (Son)

Mr. Sundeep Kumar - Independent Director

Relative details

Ms. Anushka Kumar (Daughter)

Mr. Dilpreet Singh - Independent Director

Relative details

Mrs. Kuldeep Kaur (Mother)

Mrs. Ekjot Kaur (w/o Digvijay Singh)

Mrs. Harpreet Kaur (Sister)

Mr. Patrik Paul Hoffman-Managing Director of Silvercity Brands AG

Mr. Manoj Subramanian – appointed as Executive Director (upto March 31, 2025).

Mr. Chitranjan Agarwal - Non Independent and Non Executive Director

Relative details

Mrs. Pallavi Agarwal (Spouse)

Mrs. Munisha Gandhi - Independent (Woman) Director

Relative details

Mr. Viraj Gandhi (Son)

Mr. Yogen Khosla - Independent Director (upto March 06, 2025).

Mr.Charu Sharma- Director

Mr. Munish Gupta - CFO

Mr. Shubham Kandhway (CS)

Mr. Anil Kumar (CS) (upto January 31, 2025).

Notes:

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 Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

38. Related parties (Contd..)

(vi) Details of transactions entered into with the related parties:

For the Year Ended	Joint venture/ Subsidiary body corporate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Transactions								
Sale of goods	-	-	4.29	5.31	350.89	145.53	15.98	4.86
Other Income[1]	9.27	9.09	-	-	-	-	-	43.68
Rent income	-	-	1.20	1.20	-	-	-	-
Purchases of stock-in-trade[2]	915.31	-	-	51.10	33.82	33.50	2.76	5.62
Short term employee benefits	-	-	-	-	1,259.33	945.16	-	-
Legal and professional fees	-	-	61.53	-	93.56	56.80	-	-
Advertisement and sales promotion	-	-	-	55.20	-	-	-	-
Recovery of expenses incurred[3]	338.32	97.03	-	-	-	-	-	-
Rent expenses	-	-	13.23	12.92	-	-	31.41	42.06
Directors sitting fees and commission	-	-	-	-	26.85	33.65	-	-
Reimbursement of expenses	-	-	-	-	-	0.84	13.13	8.09
Interest Expenses	-	-	-	-	11.26	16.81	-	-
Guarantees given by the company4	490.00	-	-	-	-	-	-	-
Sale of Property, Plant and Equipment	-	-	-	-	1.08	-	58.54	-
Investment in subsidiary / Joint venture[5]	951.66	1,942.93	-	112.76	-	-	-	-
Loan repaid	-	-	-	-	1.90	25.40	-	-
Loan given	-	-	-	-	-	38.78	-	-

1. Other Income includes transactions amounting to Rs. 9.27 lakhs from Business Support Services rendered to Pasadena Retail Private Limited.
2. Purchases of stock-in-trade include transactions amounting to Rs. 915.31 lakhs from Silvercity Brands AG.
3. Recovery of expenses incurred includes transactions amounting to Rs. 283.94 lakhs from Silvercity Brands AG and Rs.54.38 lakhs from Pasadena Retail Private Limited.
4. Guarantees given by the company to Pasadena Retail Private Limited
5. Investment in subsidiary / Joint venture include transaction amounting to Rs. 951.66 with Silvercity Brands AG.

Balances outstanding :	Joint venture/ Subsidiary body corporate		Entities under common control		Key Managerial Personnel and their relatives		Holding Company	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Balances outstanding :								
Investments	3,225.79	2,401.14	177.45	134.92	-	-	-	-
Receivable against sale of goods	-	-	-	-	105.00	94.79	-	-
Advances	233.64	93.74	-	0.35	43.14	9.54	6.67	5.79
Payable for Employee Benefits	-	-	-	-	-	39.24	-	-
Payable for Director Fees	-	-	-	-	-	-	-	-
Payable for services received	-	-	-	-	34.79	3.83	0.60	0.41
Interest accrued but not due	-	-	-	-	-	22.95	-	-
Guarantees given by the company	271.34	-	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	111.81	-	-
Deemed capital contribution	-	-	-	-	-	-	50.51	50.51
Share Application Money	479.12	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

39. 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 as a single operating segment as per Ind AS 108, hence separate segment disclosure, have not been furnished.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10% or more of an entity's revenues during the current and previous year.

Information about major geographies

The Company primarily operates in India only.

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. 147.41 (March 31, 2024: Rs 78.43) for CSR activities carried out during the current year.

S. No.	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i	Amount required to be spent by the company during the period	145.98	78.43
ii	Amount of expenditure incurred		
	a. Paid *	147.41	78.43
	b. Yet to be paid	-	-
	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	Say Trees Environmnetal Trust - Towards million tree project	Isha Foundation-Towards Million Tree projects
		SankalpTaru Foundation - Towards million tree projects.	Youth Technical Training Society - Towards promoting education
		-	Traditional Art and Handicrafts
		National Council for Handloom and Handicraft Development	Traditional Art and Handicrafts
		Bharatiyam	Traditional Art and Handicrafts
		Madhavrao Scindia Foundation	Health Care, including Preventive Health Care
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	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 be shown separately	Not applicable	Not applicable

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

41. Investments accounted for using equity method

I Interest in Joint Venture

The Group has a 50% interest in Pasadena Retail Private Limited, a joint venture. 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 2025	As at 31 March 2024
Non-Current Assets, including right-of-use assets of Rs.328.14 (March 31, 2024: Rs.319.61)	437.11	352.61
Current Assets, including inventories of Rs.541.71 (March 31, 2024: Rs.310.15)	618.19	450.49
Non-Current Liabilities, including lease liabilities	(293.35)	(258.45)
Current Liabilities, including lease liabilities of Rs.70.69 (March 31, 2024: Rs.34.53) and trade payables of Rs.163.61 (March 31, 2024: Rs.98.09)	(373.59)	(163.70)
Equity	**388.36**	**380.95**
Proportion of the Group's ownership		
Share in Equity	388.36	380.95
Carrying value of the investment	388.36	380.95

Particulars	As at 31 March 2025	As at 31 March 2024
Revenue from operations	1,309.92	1,283.94
Other income	4.87	14.03
	1,314.79	**1,297.97**
Purchase of stock-in-trade	1,399.07	1,010.38
Changes in inventory of stock-in-trade	(463.12)	(120.34)
Finance costs	74.92	15.47
Depreciation and amortization expense	163.58	90.84
Other expenses	120.94	99.37
	1,295.39	**1,095.72**
Profit before tax	19.40	202.25
Tax expense	5.15	54.63
Profit for the year	14.25	147.62
Group's share of profit for the year (Share 50%)	**7.13**	**73.81**

Particulars of guarantee given:

Particulars	Purpose	Guarantee given during the financial year		Guarantee Outstanding amount	
		Year ended March 31, 2025	Yearended March 31, 2024	As on March 31, 2025	As on March 31, 2024
Guarantees given to Pasadena Retail Private Limited	Business Purpose	490.00	-	271.34	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(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 33.88% interest in Silvercity Brands AG, a 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 2025	As at 31 March 2024
Non-Current Assets	3,182.34	3,665.31
Current Assets, including inventories of Rs.713.06 (March 31, 2024: 65.53)	6,473.78	2,053.86
Current Liabilities and trade payables of Rs.584.20 (March 31, 2024: 139.05)	(853.83)	(150.20)
Equity	**8,802.29**	**5,568.97**
Less: Securities Premium not attributable to the company	(304.54)	(304.54)
	8,497.75	**5,264.43**
Proportion of the Group's ownership		
Share in Equity	2,879.04	1,842.55
Add: Adjustment for fair value due to change in accounting from subsidiary to associate	177.35	177.35
Carrying value of the investment	**3,056.39**	**2,019.90**

Particulars	As at 31 March 2025	As at 31 March 2024
Revenue from operations	1,227.84	0.60
Other income	10.90	-
	1,238.74	**0.60**
Purchase of stock-in-trade	1,347.74	-0.00
Changes in inventory of stock-in-trade	(634.06)	0.09
Finance costs	-	-
Depreciation and amortization expense	144.32	6.37
Other expenses	776.68	13.50
	1,634.68	**19.96**
Profit before tax	(395.94)	(19.35)
Less: Tax expense	-	-
Profit for the year	(395.94)	(19.35)
Group's share of profit for the year (Share 33.88%)	**(134.14)**	**(6.77)**

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	
Parent								
Ethos Limited								
As at March 31, 2025	99%	97,540.31	97%	9,357.26	-7%	(13.39)	95%	9,343.87
As at March 31, 2024	100%	88,196.44	98%	8,129.21	24%	(10.08)	98%	8,119.13
Subsidiaries								
Cognition Digital LLP								
As at March 31, 2025	1%	670.33	1%	88.67	0%	(0.37)	1%	88.30
As at March 31, 2024	1%	582.03	1%	103.74	2%	(0.67)	1%	103.07
Ethos Lifestyle Private Limited (Formerly RF Brands Private Limited)								
As at March 31, 2025	1%	589.00	0%	(11.00)	0%	-	0%	(11.00)
As at March 31, 2024	0%	100.00	0%	-	0%	-	0%	-

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	
Silvercity Brands AG (Refer Note 5)								
As at March 31, 2025	0%	-	0%	-	0%	-	0%	-
As at March 31, 2024	0%	-	-1%	(76.58)	0%	-	-1%	(76.58)
Associates								
Silvercity Brands AG (Refer Note 5)								
As at March 31, 2025	3%	3,056.39	-1%	(134.14)	0%	-	-1%	(134.14)
As at March 31, 2024	2%	2,061.95	0%	-6.78	0%	-	0%	(6.78)
Joint Venture (Investments as per the equity method)*								
Pasadena Retail Private Limited								
As at March 31, 2025	0%	388.36	0%	7.13	0%	-	0%	7.13
As at March 31, 2024	0%	381.24	1%	74.09	0%	-	1%	74.09
Eliminations								
As at March 31, 2025	(4%)	(4,024.71)	3%	320.88	107%	207.98	5%	528.86
As at March 31, 2024	(3%)	(2,924.98)	1%	105.78	74%	(31.30)	1%	74.48
As at March 31, 2025	100%	98,219.68	100%	9,628.79	100%	194.21	100%	9,823.00
As at March 31, 2024	100%	88,396.69	100%	8,329.46	100%	(42.05)	100%	8,287.41

* 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 subsidiary, associate and joint venture with ownership % and place of business :

Subsidiary	
Name of the entity	Cognition Digital LLP
Principal Place of Business	India
Proportion of Ownership as at March 31, 2025	99.99%
Proportion of Ownership as at March 31, 2024	99.99%
Method used to account for the investment	At cost
Name of the entity	Ethos Lifestyle Private Limited (Formerly RF Brands Private Limited)
Principal Place of Business	India
Proportion of Ownership as at March 31, 2025	100.00%
Proportion of Ownership as at March 31, 2024	100.00%
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, 2025	33.88%
Proportion of Ownership as at March 31, 2024	35.00%
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, 2025	50.00%
Proportion of Ownership as at March 31, 2024	50.00%
Method used to account for the investment	At cost

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

45. During the year ended March 31, 2024, 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 12, 2024. Henceforth, Silvercity Brands AG has been identified as an associate of the Parent company as on March 31, 2024.

During the year ended March 31, 2025, the Group Company has futher invested Rs. 951.66 to acquire 3,46,000 shared of nominal value of CHF 1 each out of 12,20,000 shares allocated by Silvercity Brands AG, resulted into further reduction of shareholding to 33.88%.

(An amount of Rs. 479.12 is payable to Silvercity Brands AG on account of partially paid-up share capital for 3,46,000 shares as of March 31, 2025)

46. Other Statutory Information

1) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

2) The Group does not have any transactions with companies struck off.

3) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5) 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:

   a) 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

   b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

6) 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:

   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 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

8) 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 stands 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)
Net Proceeds available for utilisation	**33,968.95**

Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

47. (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, 2025	Unutilized as on March 31, 2025**
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	2,347.56	979.72
Financing the upgradation of ERP	198.01	198.01	-
General corporate purpose*	3,958.35	3,958.35	-
Total	**33,968.95**	**32,989.23**	**979.72**

*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' 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, 2025 have been temporarily invested in deposits with scheduled banks and kept in current account with scheduled bank.

48. During the previous 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)
Net Proceeds available for utilisation	**16,959.64**

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, 2025	Unutilized as on March 31, 2025 #
Funding working capital requirements*	13,125.00	8,455.97	4,669.03
General corporate purpose**	3,834.64	-	3,834.64
Total	**16,959.64**	**8,455.97**	**8,503.67**

* Utilization for the object "Funding working capital requirement of our Company" made during the year ending March 31, 2025, is 8,455.97. The Company has utilized additional funds for 498.88 out of the next year fund utilization projections on account of increased need of working capital for operations during the Fiscal 2025.

** The Prospectus specifies that "If the Net Proceeds are not utilised (in full or in part) for the Objects during the periods stated in this section due to factors such as the timing of completion of the Issue, economic and market conditions outside the control of our Company and any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods in such manner as may be determined by our Company.

Rs. 2,000 lacs could not be utilized towards the aforementioned object due to delay in procurement of inventory for various new stores in Delhi NCR area. The same will be utilized in the subsequent quarter.

Net unutilised proceeds as on March 31, 2025 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, 2025

(All amounts in Rs. lakhs, except for share data and if otherwise stated)

49. The Group 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 accounting software except that, the feature of recording audit trail for direct changes to database was enabled and retained from 8 August 2024 onwards for all user ids and for certain tables only. One subsidiary has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility however, the same was not operating throughout the period as the accounting software implementation was in process. One Joint venture has used an 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 accounting software.

50. There are no significant events after reporting date which need to be disclosed.

As per our report of even date
For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI firm registration no.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: Gurugram
Date: May 05, 2025

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

Munish Gupta
Chief Financial Officer

Pranav Shankar Saboo
Managing Director and CEO
DIN 03391925

Shubham Kandhway
Company Secretary

Place: Gurugram
Date: May 05, 2025

Notes

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WATCH BOUTIQUES

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Himachal Pradesh- 173220

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Chandigarh - 160009

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