

Ethos Limited

Refer to important disclosures at the end of this report

- Ethos is one of the largest watch retailers in the Indian premium and luxury watch industry. According to the 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited', Ethos has a market share of ~13% in the Rs 6,615 crores premium & luxury watch market (FY20), enabled by the portfolio of 50 luxury brands and a pan-India retail presence, supported by omni-channel and digital team capabilities.
- In addition to the pan-India presence through 50 retail stores in 17 cities, Ethos also offers an omni-channel experience through its website 'www.ethoswatches.com', which is India's largest website for premium and luxury watches in terms of the number of brands and watches offered (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>).
- Apart from premium and luxury watch retail, Ethos also undertakes retail of pre-owned luxury watches under the 'certified pre-owned' (CPO) luxury watch lounge located in national capital territory of New Delhi and has plans to expand into other luxury categories through its agreements with global luxury luggage/jewellery brands Rimowa/ Messika. According to the 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited', the CPO market is a complementary market and has grown to about a 1/3rd of global premium and luxury watch sales. In India, the market is still at a nascent stage, with Ethos driving the development of this space currently.
- Going ahead, Ethos' strategy is to improve assortment for existing brands as well as bring new brands to India through exclusive partnerships or otherwise, expand retail presence with 13 new stores and scale-up complimentary channels of CPO/ other luxury categories. Ethos' avg. selling price (ASP) has increased from Rs 73,261 in Fiscal 2019 to Rs 1,42,795 for the nine months period ended December 31, 2021, led by increase in mix of luxury and high luxury watch categories.
- The Rs 47,228.56 lakh IPO includes Rs 37,500 lakhs fresh issue [cap price] and an OFS of 11.08 lakh shares. Following the listing, the m-cap at the cap price would be Rs 2,050.06 crores. Ethos plans to utilize the proceeds of the fresh issue to repay borrowings (Rs 2,989.09 lakhs), fund working capital (Rs 23,496.22 lakhs), finance capital expenditure for new stores/renovation of certain stores (Rs 3,327.28 lakhs), upgrade of ERP (Rs 198.01 lakhs) and the rest for general corporate purposes.

Issue Details

Price Band (Rs)	836-878
Issue Opens	May 18, 2022
Issue Closes	May 20, 2022
Issue Size (lakh shares)	53.79-55.94
Issue Size (Rs lakhs)	46,763-47,229
Shares o/s pre-issue (lakhs)	190.78
Shares o/s post-issue (lakhs)	233.49-235.64
Post issue market cap (Rs crores)	1,970-2,050

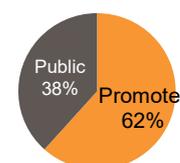
Issue Structure

QIBs	50%
Non-Institutional Category	15%
Retail	35%

Objects of the issue

- [A] Repayment or pre-payment, in full or in part, of all or certain borrowings availed
- [B] Funding working capital requirements
- [C] Financing the capital expenditure for:
 - (i) establishing new stores and renovation of certain existing stores and
 - (ii) upgradation of enterprise resource planning software
- [D] General corporate purpose

Shareholding pattern (%) Post issue



Source: Ethos RHP Document, Emkay Research

Financial Snapshot (Consolidated)

Particulars (Rs. in lakhs, except per share data)	As at and for nine months ended	As at and for the year ended March 31		
	December 31, 2021	2021	2020	2019
Equity share capital	1,877.55	1,821.28	1,821.28	1,690.17
Net worth	19,804.41	15,559.69	14,985.11	13,038.76
Revenue from operations	41,859.31	38,657.07	45,784.91	44,352.90
Profit/(loss) for the period/year	1,598.78	578.53	-133.40	988.88
Earnings/(loss) per Equity Share (basic)	8.74 #	3.18	-0.75	5.22
Earnings/(loss) per Equity Share (diluted)	8.74 #	3.18	-0.75	5.22
Net asset value per Equity Share	105.48	85.43	82.28	77.14
Total Borrowings##	8,675.96	5,198.83	7,574.69	7,706.52

Source: Ethos RHP Document

#Not annualized; ##Current borrowings; + Non-current borrowings. mc.com use and downloaded at 05/16/2022 08:59 PM

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Devanshu Bansal

devanshu.bansal@emkayglobal.com
+91 22 6612 1385

Jigisha Kapoor

jigisha.kapoor@emkayglobal.com
+91 22 6612 1314

Issue details

Ethos is India's one of the largest luxury and premium watch retail players, with a 13% share in the total retail sales in premium and luxury segment and a 20% share in the exclusively luxury segment in the financial year 2020, (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>).

Ethos is a subsidiary of listed company KDDL Ltd. KDDL, along with its subsidiary Mahen Distribution and the promoter group, has a pre-offer stake of ~81% in Ethos, which shall drop to ~62% after a successful IPO [cap price]. The IPO is a combination of Rs 37,500 lakhs fresh issue [cap price] and an OFS of 11.08 lakh shares, taking the total IPO size to Rs 47,229 lakh. The price band is Rs 836-Rs 878 per share. At the cap price, the post-money M-cap would be Rs 2,050 crores. In addition, Ethos has done a pre-IPO round of Rs 2,500 lakhs at Rs 826/share.

Exhibit 1: Issue Details

Issue Open-Close date range	May 18-20, 2022
Face Value (Rs/Share)	10
IPO Price Band (Rs/Share)	
[A] Floor Price	836
[B] Cap Price	878
Market Lot (Shares. No.)	17
Issue details at the floor price of price band	
Issue size (lakh shares)	55.94
Issue size (Rs lakhs)	46,763.19
Fresh issue (Rs lakhs)	37,500.00
Shares outstanding post IPO (lakhs)	235.64
Market cap (Rs crores)	1,969.93
Issue details at the cap price of price band	
Issue Size (lakh shares)	53.79
Issue Size (Rs lakhs)	47,228.56
Fresh issue (Rs lakhs)	37,500.00
Shares outstanding post IPO (lakhs)	233.49
Market cap (Rs crores)	2,050.06

Source: Emkay Research

Exhibit 2: Shareholding Pattern at the cap price of IPO price range of Rs 836-Rs 878

Particulars	Pre IPO-Shareholding		OFS (lakhs)	Post IPO-Shareholding [Cap Price]	
	Shares (lakhs)	Shareholding (%)		Shares (lakhs)	Shareholding (%)
KDDL Limited	121.20	63.53	5.00	116.20	49.76
Mahen Distribution Limited	22.93	12.02	0.50	22.43	9.61
Yashovardhan Saboo	3.77	1.98	2.75	1.02	0.44
Total Promoters	147.90	77.52	8.25	139.65	59.81
Anuradha Saboo	0.68	0.36	0.60	0.08	0.03
Jai Vardhan Saboo	1.08	0.56	0.15	0.93	0.40
Saboo Ventures LLP	3.91	2.05	1.50	2.41	1.03
VBL Innovations	0.21	0.11	0.11	0.10	0.04
Other Promoter Group	0.78	0.41	-	0.78	0.33
Total Promoter & Promoter Group	154.54	81.01	10.61	143.94	61.65
Mukul Mahavir Agrawal	9.24	4.84	-	9.24	3.96
Alchemy Capital	5.13	2.69	-	5.13	2.19
Siddharth Iyer	4.92	2.58	-	4.92	2.11
Abakkus Growth Fund	3.03	1.59	-	3.03	1.30
Pulkit Sekhsaria	2.73	1.43	-	2.73	1.17
Mackertich Consultancy	2.40	1.26	-	2.40	1.03
Other Public Shareholders	8.80	4.61	0.48	62.12	26.60
Total Shares outstanding	190.78	100.00	11.08	233.49	100.00

Source: Emkay Research

This report is intended for khush.gosrani@incredamc.com use and downloaded at 05/16/2022 08:59 PM

The object of the issue is to repay borrowings (Rs 2,989.09 lakhs), fund working capital (Rs 23,496.22 lakhs), finance capex for new stores/renovation of certain stores (Rs 3,327.28 lakhs), up-gradation of ERP (Rs 198.01lakhs) and the rest for general corporate purposes.

Exhibit 3: Proposed schedule of IPO + Pre-IPO proceeds utilization**(Rs in lakhs)**

Particulars	Total estimated cost	Amount to be funded from the Net Proceeds and the Pre-IPO Placement	Estimated deployment of Net Proceeds and the Pre-IPO Placement in Fiscal 2022	Estimated deployment of Net Proceeds in Fiscal 2023	Estimated deployment of Net Proceeds in Fiscal 2024
Repayment or pre-payment, in full or in part, of all or certain borrowings availed by Ethos	2,989.09	2,989.09	-	2,989.09	-
Funding working capital requirements of Ethos	23,496.22	23,496.22	2,499.98	10,498.57	10,497.67
Financing the establishment of new stores and renovation of certain existing stores	3,327.28	3,327.28	-	2,906.12	421.16
Financing the upgradation of Enterprise Resource Planning (ERP)	198.01	198.01	-	198.01	-
General Corporate purpose*	[•]	[•]	[•]	[•]	[•]

Source: Ethos RHP Document, *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue

Business Overview

Ethos is India's one of the largest luxury and premium watch retail player (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>), delivering a content-led luxury retail experience through its online and physical presence. In addition to its chain of 50 physical retail stores in 17 cities in India, Ethos also offers an omni-channel experience to its customers through its website and social media platforms.

Ethos has a sizeable portfolio of premium and luxury watches in India, enabling it to retail 50 premium and luxury watch brands like Rolex, Omega, IWC Schaffhausen, Jaeger LeCoultre, Panerai, Bvlgari, Rado, Longines, Tissot. The company enjoys a market share ~13% in the 'premium and luxury watch retail' segment in India.

Exhibit 4: Price positioning of luxury watch brands in India

Category	Price Range (INR)	Key Brands
High Luxury	>10,00,000	    
Luxury	2,50,000-10,00,000	    
Bridge to Luxury	1,00,000 -2,50,000	    
Premium	25,000 -1,00,000	    
Fashion	5,000 -25,000	  
Mass	<5,000	  

Note- Brands put in above price ranges if most of their SKUs lie in the given ranges.

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

The Indian watch market is sizeable and pegged at Rs 13,500 crore in FY 2020. It is expected to grow at a ~10.6% CAGR over FY20-25E to reach Rs 22,300 crores on the back of several factors like higher brand consciousness, greater purchasing power, digitization, and increasing urbanization.

In addition to premium and luxury watch retail, Ethos also undertakes retail of certified pre-owned luxury watches under 'Certified Pre-Owned' ("CPO") luxury watch lounge located in the national capital territory of New Delhi. CPO is a destination for selling and buying pre-owned luxury watches under technical expert supervision providing a 360- degree physical inspection and verification of watches and certified with a two-year warranty.

Exhibit 5: Ethos largely plays in premium to high-luxury watch segments while presence in fashion and mass segments is limited

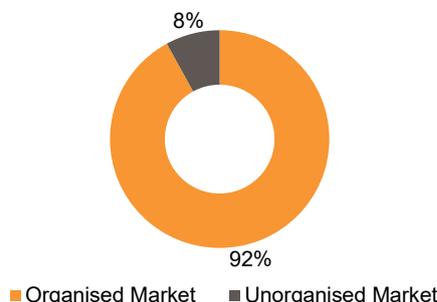
Particulars	Price Segment (Rs)	FY 2020		FY20-25E	FY 2025E
		Size (Rs CR)	Share%	Size (Rs CR)	CAGR %
High Luxury	Above 10 L	540	4%	1,040	14
Luxury Watches	2.5-10L	810	6%	1,492	13
Bridge to Luxury	1-2.5 Lakh	1,890	14%	3,406	12.5
Premium	25k- 1 lakh	3,375	25%	5,948	12
Fashion	5-25k	2,835	21%	4,996	12
Mass & Mid Watches	Below 5000	4,050	30%	5,420	6
Total		13,500	100%	22,300	10.60%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

The branded players sell through both organized and unorganized channels. However, the unorganized channel is largely limited to Mass-Mid and Fashion segments, while Premium/Luxury brands sell majorly through the organized channel. The organized market contributes to 92% of the market for premium & luxury watches.

Exhibit 6: Premium and Luxury watch retail market is largely an organized industry in India

Share of Channels in Premium & Luxury watch market



Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

The share of EBOs/vertical specialist MBOs in the organised premium and luxury market is expected to change from 86% in FY20 to 88% in FY25. This share includes sales from physical stores and from own websites of the vertical specialists.

Exhibit 7: EBOs and vertical specialist MBOs form a majority of the retail channel mix for the premium & luxury market



Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP. **Both online & offline revenue included in above channels i.e in Vertical Specialist MBOs, EBOs, General MBOs/LFS. Hence, commerce marketplaces are exclusively Online marketplaces**

Exhibit 8: Market Shares of key vertical specialist in the premium and luxury watch space

Vertical Specialist Premium & Luxury MBOs	FY20 Revenue (Rs Cr)	Share in Luxury Watch Market	Share in Premium & Luxury Watch Market
Ethos Limited	457.8	20%	13%
Kapoor Watch	242.4	10%	7%
Johnson Watch	161.6	7%	4%
Zimson	150.5	6%	4%
Kamal Watch	111.2	5%	3%
Khimani Watch	55.9	2%	2%
Helvetica Boutique	35.7	2%	1%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

Exhibit 9: Product range (number of SKUs) & price range for key luxury watch retailers

Vertical Specialist	No of SKUs			Price
	Bridge to Luxury	Luxury	High Luxury	Price Range (Rs)
Ethos	1,214	1,434	657	Up to 3,41,18,000
Zimson	575	1,099	-	Up to 7,82,100
Johnson Watch Co.	403	582	537	Up to 5,53,00,000
Kapoor Watch Co.	465	572	284	Up to 84,50,000
Helios	134	22	-	Up to 6,00,000

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP, Retailer Website. Above data excludes Rolex SKUs for all Retailers due to price unavailability. Price range excluding watches which are sold out/ Price not mentioned on website.

According to 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>, Ethos is the leader among vertical specialist MBOs in the bridge-to-luxury, luxury and high-luxury segments, while in the fashion and premium segment, Helios is the leader in vertical specialist MBOs. They are the only premium and luxury watch retailers with a pan-India presence. There are a few regional players that are present in select regions like Kapoor Watch Co. and Johnson Watch in North India and Zimson, Kamal Watch in South India, and Art of Time in West India.

Exhibit 10: City-type mapping for key vertical specialist MBOs

Vertical Specialist	Total Stores	Metro	Mini-Metro	Tier-1	Tier-2	Tier-3
Ethos	50	41%	39%	18%	2%	0%
Helios	112	26%	31%	20%	22%	1%
Johnson Watch Co.	10	100%	0%	0%	0%	0%
Kapoor Watch Co.	11	100%	0%	0%	0%	0%
Art of Time	2	100%	0%	0%	0%	0%
Zimson	30	0%	73%	23%	3%	0%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

Vertical specialists house multiple watch brands, Indian as well as international, under one roof and are specialists in their vertical/category. The target audience for a vertical specialist are consumers who appreciate a wide assortment of brands and products to choose from. First-time buyers also prefer to buy from Vertical Specialists as consumers can compare different brands and vertical specialists have the expertise, skills, and technical knowledge to guide them better.

Exhibit 11: Retailing approach of key vertical specialists

Brand	Retailing Approach
Ethos Limited	<ul style="list-style-type: none"> With a Pan India presence, Ethos has made its presence across cities and regions through a network of stores and boutiques. Its 50 stores are spread across 17 cities. Ethos Summit exclusively houses bridge to luxury, Luxury & High Luxury Brands, while Ethos Stores house the premium & fashion range as well. Ethos has also opened Boutiques in partnership with prominent market leading brands like Rolex. Ethos has an increased focus on customer experience through consultation with watch experts, prompt customer service, loyalty points, guides & research on various watches and brands, service & repair through Ethos Watch Care. Ethos also actively retails through its website. Online purchase is digitally enabled for fashion and below range, while it is voice enabled for premium & luxury range. Club Echo is the loyalty program of Ethos with registered members, and annually 35% business comes from repeat buyers registered with the program.
Zimson	<ul style="list-style-type: none"> Zimson is a South India centric regional Luxury Watch Vertical Specialist with a focus on Mini- Metro cities. It has an active website for product and price discovery whereby customers can request a quote for purchase. They also offer memberships, and reward points on purchase and by interacting with their social media handles.
Johnson Watch Co.	<ul style="list-style-type: none"> Johnson Watch Co. is a regional Luxury watch Vertical Specialist with increased focus on Metro and tier-1 cities, primarily focusing on North India with stores in National Capital Territory of Delhi & Gurgaon, Haryana. Johnson Watch Co. retails over 16 premium & luxury watch brands in India. It has its website with personalised customer experience, customer support, promotions, product guidance etc. Online purchase is voice enabled through customer service team.
Kapoor Watch Co.	<ul style="list-style-type: none"> Kapoor Watch Co. is a family-owned regional luxury watch Vertical Specialist with high focus on Metro and tier-1 cities in North India including National Capital Territory of Delhi, Gurgaon, Haryana & Noida, Uttar Pradesh. It has active online retail enablement whereby customers can contact sales agent for sales queries, purchase and after sales service, while online purchase is voice enabled through customer service team.
Helios	<ul style="list-style-type: none"> Helios is a pan-India vertical specialist by Titan Company Limited mainly operating in fashion & premium segment, with limited bridge to luxury range. It has a network of 112 stores spread across 47 cities. It actively retails through its website which offers sale, product guidance, live chat support, option to pre-book store visits etc. Helios also provide omnichannel experience by providing customers the choice to 'order online and collect from store,' 'reserve online and try on in-store,' or 'get it shipped from nearest store.' Video shopping, online appointment booking, and endless aisle options are also available.

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP, Arranged in the order of highest to lowest SKUs on offer in luxury and bridge to luxury watch segment)

Competitive Strengths

Access to a large luxury customer base

As per the 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited', the increase in the number of HNIs in fast emerging economies, such as China and India, has facilitated the increase of the wealth of people and thereby increasing the demand for luxury goods, including watches. Rise and acceptability of ecommerce and an increase in HNIs/UHNIs have led to an increase in the purchase of luxury watches via online channels in such markets.

As of March 31, 2022, Ethos has access to an HNI customer base of 283,300, and access to its digital platform has also increased from 15.47mn sessions in 2019 to 21.46mn sessions in December 31, 2021. Ethos believes access to a large number of luxury customers gives it a competitive advantage.

Ethos' Club Echo, operates as a dynamic incentive scheme, which provides benefits to repeat customers based on their cumulative purchasing over time. It also gives Ethos a unique insight into understanding the buying pattern of our customers. Ethos utilizes data from its Club Echo to drive highly accurate social media and digital campaigns. Club Echo also helps it to generate profitability by reducing servicing costs, reducing price sensitivity, increased spending and favorable recommendations passed on to potential customers

Exhibit 12: Contribution of Club ECHO to Ethos sales

Financial Year	Total Billing (Rs in lakhs)	Club ECHO Sales (Rs in lakhs)	Repeat Customer Sales (Rs in lakhs)	Club Echo %	Repeat Share % (value)
	A	B	C	D=B/A	E=C/A
Nine months period ending December 31, 2021	48,724.00	40,765.96	17,777.44	83.67%	36.49%
Fiscal 2021	44,877.00	38,886.75	16,492.34	86.65%	36.75%
Fiscal 2020	52,451.00	42,155.60	17,753.34	80.37%	33.85%
Fiscal 2019	51,287.53	36,744.82	17,296.83	71.64%	33.73%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

Leading luxury watch Omnichannel retail player of India

Ethos was quick to establish a robust digital infrastructure, which has been its key strength and enabled it to increase the customer base. Ethos' digital team consists of over 70 employees across different teams, and its website showcases over 50 brands, offering a great eco-system for visitors to not only purchase online but also to discover watches and understand their legacies. Ethos uses data collected across channels to re-market to the customers who have shown interest on its website or across the popular networks/social media platforms to remain at the top-of-mind for its customers.

Exhibit 13: Channel-wise mix for Ethos

Sales Channel	Fiscal 2019		Fiscal 2020		Fiscal 2021		Nine months period ended December 31, 2021	
	Sales	% Sales	Sales	% Sales	Sales	% Sales	Sales	% Sales
Stores	32,372.56	72.99%	32,322.37	70.60%	24,105.38	62.36%	27,924.56	66.71%
Online	11,980.34	27.01%	13,462.54	29.40%	14,551.69	37.64%	13,934.75	33.29%
Total	44,352.90	100.00%	45,784.91	100.00%	38,657.07	100.00%	41,859.31	100.00%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP; *Sales which are initiated on Ethos' website, irrespective of whether the sale concludes on website or retail store are categorized as 'online sales'

Strategically located and well invested store network with attractive in-store experience

With 50 retail stores, over 7,000 varied premium and luxury watches and about 30,000 watches in stock at any given time, Ethos' retail stores are located strategically in shopping malls, airport terminals and other premium areas. Ethos' flagship stores are high-street stores, allowing lower mall dependency, which has proved to be a significant advantage, especially during the pandemic year, when all the shopping malls were directed to be closed down. For the nine months period ended December 31, 2021, Fiscals 2021, 2020 and 2019, the capital expenditure on opening new stores and refurbishing old ones was Rs 607.88 lakhs, Rs 1,088.36 lakhs, Rs 1,379.13 lakhs and Rs 1,394.46 lakhs, respectively. Ethos makes efforts to follow and monitor the development of luxury malls in India and contracts majority of the space allocated for watches before any competitor may initiate the process.

Strong and long-standing relationships with luxury watch brands

Ethos has a team of brand managers who work closely with brands to strategize and execute growth and brand building strategies. Through its strong and long-standing relationships with the world's leading luxury watch makers, the company is able to offer its customers respected luxury watches brands in the world, such as Omega, IWC Schaffhausen, Jaeger LeCoultre, Balmain, Panerai, Bvlgari, H. Moser & Cie, Rado, Longines, Baume & Mercier, Oris SA, Corum, Carl F. Bucherer, Tissot, Raymond Weil and Louis Moinet. Some of these business partnerships with brands like Omega, Rado, Tissot, Longines, Baume Mercier, IWC Schaffhausen, Jaeger LeCoultre, Carl F. Bucherer and Balmain have been ongoing for more than a decade.

Leadership position in an attractive luxury watch market

The watch market in India was valued at Rs 13,500 crores in Fiscal 2020 and is expected to grow at a CAGR of 10.6% to reach Rs 22,300 crores by Fiscal 2025 (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>). Ethos is the largest retailer for luxury watches in India, commanding a ~13% market share of the organized market for premium and luxury watch retail.

Retailer margins on bridge to the luxury segment ranges from 25%-28%, and luxury segments have a retailer margin of 20%-35% while retailer margins on premium watches range from 20% to 25% (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>). Ethos' average selling price (ASP) has increased from Rs 73,261 in Fiscal 2019 to Rs 1,42,795 for the nine months period ended December 31, 2021.

Exhibit 14: Category mix for Ethos over the last few years

(Rs lakhs)

Category	Fiscal 2019		Fiscal 2020		Fiscal 2021		Nine months period ended December 31, 2021	
	Sales	% Sales	Sales	% Sales	Sales	% Sales	Sales	% Sales
Fashion	4,653.44	10.52%	3,658.93	7.99%	2,169.08	5.61%	1,646.05	3.93%
Premium	9,824.77	22.21%	10,241.32	22.37%	6,806.53	17.61%	5,509.85	13.16%
Bridge to luxury	9,384.04	21.21%	9,864.59	21.54%	7,259.97	18.78%	7,742.55	18.50%
Luxury	15,570.75	35.20%	17,482.94	38.18%	15,082.62	39.02%	15,326.47	36.61%
High luxury	4,804.42	10.86%	4,537.06	9.92%	7,338.94	18.98%	11,634.49	27.79%
Total	44,237.42	100.00%	45,784.84	100.00%	38,657.14	100.00%	41,859.40	100.00%

Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

Founder-led company supported by a professional management team

Ethos benefits greatly from an experienced management team with deep industry know-how and knowledge. The management team is led by Managing Director Yashovardhan Saboo. In 1981, he promoted KDDL Limited and has since led it to the position of market leadership in India and abroad. Ethos' CEO, Pranav Saboo, has been instrumental in devising the strategy of making the online presence of the company. Manoj Subramanian, its Chief Operating Officer, has been intrinsically linked with the watch industry for several years. Board member, Patrik Paul Hoffman, has over 30 years of experience in the watch industry and has been at leadership positions with global watch brands and retailers. The experience of the company's committed and capable management team enables it to make informed decisions on key issues the business is facing. Further, trained and knowledgeable staff and dedicated after sales service team help customers during the process of watch selection.

Key Growth Strategies

Expanding physical store network and increasing market share

Ethos expects the luxury watch market to continue to grow in India as well as neighbouring countries like of Bangladesh (Dhaka), Sri Lanka (Colombo), Nepal (Kathmandu) and Maldives (Male). Ethos' strategy for continued growth and market share gain is focused on the following:

- Successfully executing its pipeline of new store projects, as well as identifying attractive locations for opening new company-branded stores or mono-brand stores or relocating existing stores and continuing to upgrade its existing stores as and when necessary
- Growing sales and improving margins in its existing stores and via the online channel through product, merchandising, marketing, training, logistics and technological initiatives
- Proactively managing its store portfolio to improve operating margins

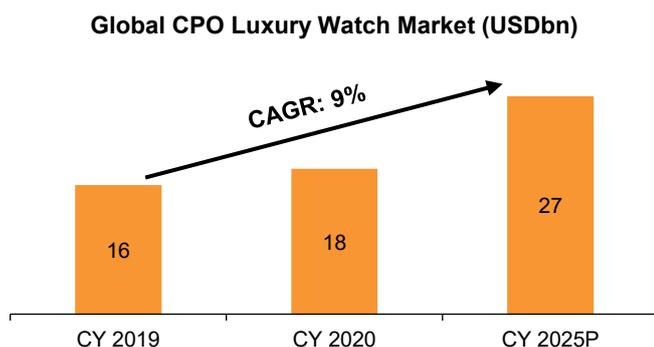
Increasing watch brands portfolio

As part of its continuous efforts to offer the widest assortment of brands to its customer base, Ethos will continue to invest in entering into new brand relationships. They will also continue to nurture their existing brand relationships. Many of the world's leading watch brands are not yet present in India and Ethos intends to partner with them and bring these brands to India. In addition to increasing their brand portfolio, Ethos also intends to enter into and increase its exclusive arrangements for sale and marketing of premium and luxury watch brands in India. Presently, it has brands like Carl F. Bucherer, Raymond Weil, Oris SA, Corum, Parmigiani among others (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited', available on the following link: <https://www.ethoswatches.com/investors-information>), which are retailed only through Ethos in the Indian market.

Growing certified pre-owned luxury watch retail business

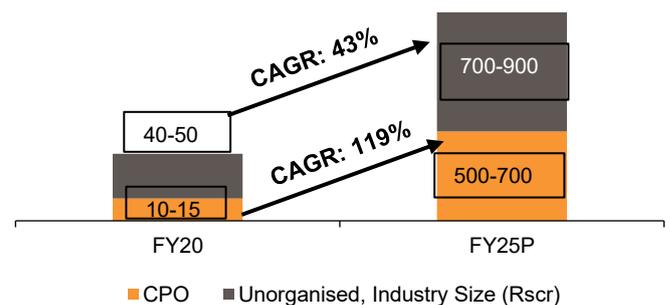
The global CPO luxury watch market was valued at USD18bn in CY20 and is expected to grow at a CAGR of 9% from CY19-CY25P to reach USD27bn. The adoption of the second-hand luxury watch market is emerging as one of the key reasons for growth and acceptance of luxury watches globally (Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' available on the following link: <https://www.ethoswatches.com/investors-information>). The global CPO market, which is a complimentary market over and above the overall global market for premium & luxury watches, was almost 33% the size of the overall premium and luxury watch market globally in CY20, and its size is expected to be 46% of the overall market in CY25. The overall luxury pre-owned market in India was valued at approximately Rs 40-50 crores in Fiscal 2020, with unorganised sector contributing ~80% of the market. The organized sector offering certification on pre-owned luxury watches is at a nascent stage in India and was valued at Rs 10-15 crores in Fiscal 2020. In comparison, the overall premium & luxury watch market in India was valued at Rs 6,610 crores in Fiscal 2020, making the CPO market to be around 0.2% of the overall market. The CPO share in India is currently miniscule and dominated by Ethos' CPO business. This market, however, presents an opportunity to grow significantly from the current base, in line with the global trends.

Exhibit 15: Size of CPO market globally



Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

Exhibit 16: Size of Indian CPO market



Source: 'Industry Report on Premium and Luxury Watch Retail in India dated April 26, 2022, prepared by Technopak Advisors Private Limited' as a part of RHP

This report is intended for khush.gosrani@incredamc.com use and downloaded at 05/16/2022 08:59 PM

Drive Sales and gather data through Technological Innovations

Ethos plans to develop an application to offer personalized experience to customers and guide them through rich content for shopping. It will allow customers to shop through thousands of watches, create wish lists which can be shared with friends, and get advice from luxury watch consultants. They can buy watches through the application, request a viewing at home or setup an appointment at any of our stores. The application will feature several features like virtual reality, augmented reality, chatbots, and voice search, among other features. It will also feature watch recognition - a feature which will allow the user to click the picture of any watch seen on someone's wrist and then display to the user the entire data of the watch. It will then connect the user to a luxury watch consultant for more information about the watch. Visitors can upload their collections on the application and Ethos consultants from the pre-owned department can give valuations on these watches. Ethos will also launch an app for our certified pre-owned business, which will have similar features but will focus only on pre-owned luxury products. First-party and third-party data collected from user consent will be used for pin-point marketing through digital ad networks and social media. Data will also be used to make better purchase decisions to improve stock turns.

Leveraging luxury watch retail business and access to luxury customers to expand into other luxury verticals

For category specialists in the luxury segment, growth through category extension is expected. Ethos has a thorough understanding of luxury customers and the related environment in India and has a ready database of HNIs in India. The company intends to leverage its strength of understanding of the luxury market, customers and products, reputation for authentic, high-end luxury products complemented by consistent customer service to foray into other luxury products in a short to medium term. Through its CPO platform, it has ventured into the sale of pre-owned luxury watches and intends to expand into other luxury category goods such as luggage, eye-wear, writing instruments, jewellery among other luxury products. Ethos has recently entered into an agreement with Rimowa, for retailing its range of luxury luggage and Messika for retailing their range of luxury jewellery in India.

Investing in their own brand

Ethos is in the process of buying brand names "ETHOS" and "SUMMIT" from promoter KDDL Limited. It has entered into an agreement to sell dated January 1, 2022, with KDDL Limited, for the transfer of brand names, trademarks, trade names logos and all related rights to "Ethos" in its name for an amount of Rs 3,900 lakhs. Out of Rs 3,900 lakhs, one third needs to be paid by March 31, 2022, another one third of payment will be made when trademark "Ethos" is transferred and the remaining amount will be paid when trade mark "Summit" is transferred and registered in its favour. Ethos seeks to allocate significant resources in positioning 'Ethos' and 'Ethos Summit' as premium stores having a variety of luxury and prestigious watch collections. Its branding plan comprises of activities, including online marketing, electronic media, print media, outdoor and event and sponsorship. The total expenses on advertisement and sales promotion for Fiscals 2019, 2020, 2021 and nine-month period ended December 31, 2021, were Rs 1,277.74 lakhs, Rs 1,406.30 lakhs, Rs 1,470.39 lakhs and Rs 1,831.48 lakhs respectively.

Background

Brief Profiles of Directors

Yashovardhan Saboo

Yashovardhan Saboo aged sixty-three (63) years is the Managing Director of our Company since November 5, 2007. He holds a post graduate diploma in management from Indian Institute of Management, Ahmedabad, Gujarat. He is the promoter of our Company and has vast experience of working in manufacturing and retail industry. He is also the promoter in KDDL Limited. He has been conferred with “Udyog Ratna” Award from PHDCCI in the year 2005.

Anil Khanna

Anil Khanna aged sixty-three(63) years is an independent Director of our Company since November 5, 2007. He holds a degree in Bachelor of Arts (Economics, Mathematics) and is also a qualified Chartered Accountant from Institute of Chartered accountants of India. He holds Diploma in information system audit and is Certified Forensic Accountant and Fraud Detector from ICAI.

Nagarajan Subramanian

Nagarajan Subramanian, aged sixty-six (66) years is an independent Director of our Company since June 29, 2011. He holds a degree in Bachelor of Technology (Mechanical Engineering) from College of Engineering, Madras, Tamil Nadu and a post graduate diploma in management from Indian Institute of Management, Ahmedabad, Gujarat. Prior to joining our Company, he was associated with Titan Industries Ltd., Walt Disney India Pvt. Ltd. Currently, he is running “en theos consulting”, which is a boutique consultancy firm focusing on lifestyle retailing advisory.

Neelima Tripathi

Neelima Tripathi, aged fifty-eight (58) years, is an Independent Director of our Company since August 9, 2016. She is a practicing advocate by profession and is registered with the Bar Council of Delhi. She is also a qualified Chartered Accountant from Institute of Chartered accountants of India. She has over 20 years of experience in handling civil litigations, arbitrations, appearances at tribunals, courts, commissions etc.

Sundeep Kumar

Sundeep Kumar, aged sixty-four (64) years, is an Independent Director of our Company since October 6, 2016. He holds a bachelor’s degree in economics from Delhi University and has done his Master of Business Administration from Indian Institute of Management, Ahmedabad, Gujarat. He has rich experience in field of communication and general management. He has been heading Corporate Affairs and Communication of Dalmia Bharat. He has also worked with Novartis Healthcare.

Dilpreet Singh

Dilpreet Singh, aged sixty-three (63) years, is an Independent Director of our Company since April 9, 2018. He holds a bachelor’s degree in law from the Delhi University and a master of personal management and industrial relations University Business School, Union Territory of Chandigarh. He is currently an employability consultant at Amazon Web Services India (AISPL). He has served in various capacities within IBM, including Vice President and human resource head at IBM India, human resource leader in the Middle East and Africa, director of human resource and resourcing at IBM Daksh.

Mohaimin Altaf

Mohaimin Altaf, aged thirty-six (36) years, is an Independent Director of our Company since April 9, 2018. He has completed his Bachelor of Arts in Economics and Master of Business Administration from the Wharton School, University of Pennsylvania. Prior to joining our Company, he worked as a Strategy and M & A Analyst with Morgan Stanley, New York.

Manoj Gupta

Manoj Gupta aged fifty-three (53) years is an Executive Director of our Company since February 12, 2020. He holds a degree in Bachelor of Arts from University of Punjab and has done advance diploma in tool and die making from central scientific instruments organization, Indo-Swiss Training Centre. Prior to joining our organization, he has worked with Titan Industries Limited. He was also associated with KDDL Limited. Thereafter, he was transferred to our Company as Vice President Operations – Summit.

Patrik Paul Hoffman

Patrik Paul Hoffman aged fifty-seven (57) years is a Non-Independent Director of our Company since June 11, 2021. He has done his education from Business School of the Association of Commerce, Switzerland (Accountant with Federal Diploma, CPA, Certified Public Accountant). He has also completed Marketing Management, International Management, Sales Management, Marketing Research and Marketing Decision Making from Andrews University, USA. He has over 30 years' experience in the watch industry and has been at leadership positions with global watch brands and retailers.

Chitranjan Agarwal

Chitranjan Agarwal aged fifty-five (55) is an Additional Director (Non-Independent) of our Company since April 1, 2022. He holds a degree in Bachelor of Commerce from Government College, Chandigarh. He has also completed his LLB from University of Delhi. He is also a qualified Chartered Accountant from Institute of Chartered accountants of India. He is holding valid Certificate of Practice and is practicing as an Independent Chartered Accountant since October 1990. He holds a Certificate in Corporate Social Responsibility and Certificate in Goods and Services Tax from the Institute of Chartered Accountants of India. He holds Certificate on the Global Financial Crisis from Yale University.

DISCLAIMER

This document is being furnished to you solely for your information on a confidential basis and may not be reproduced, redistributed or passed on, in whole or in part, to any other person. In particular, neither this document nor any copy hereof may be taken or transmitted or distributed, directly or indirectly, in jurisdictions other than India. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

This document is a research report and is not intended to be an "offer letter", "offering circular", "offering document", "information memorandum", "private placement offer cum application letter", "draft red herring prospectus", "red herring prospectus", "invitation", "advertisement" or "prospectus" (as defined under the companies act, 2013, as amended, together with the rules, regulations, notifications, guidelines and clarifications issued thereunder, the securities and exchange board of India (issue of capital and disclosure requirements) regulations, 2018, as amended, and any other applicable law in India). This document is not intended to be an advertisement and does not constitute or form part of, and should not be construed as, an offer or invitation or solicitation of an offer, from the public or any class of investors, to subscribe for or purchase any securities, and neither this document nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. This document has not been published generally and has only been made available to institutional investors. This document is intended to be received only by the named recipient to whom it is addressed. This document does not express and shall not be construed to express, any opinion or advice or make any recommendation with respect to an investment in any securities. Any decision to subscribe for or purchase securities in any offering must be made solely on the basis of the information contained in the offering documents (and supplements thereto) or other offering document issued in connection with such offering.

You acknowledge that Emkay Global Financial Services Limited and/or one or more of their respective affiliates may act in connection with an offer by the company of its securities, perform other financial or advisory services for the company or have other interests in or relationships with the company. In that capacity, the Emkay Global Financial Services Limited and/or their respective affiliates may have received confidential information relevant to the securities mentioned in this document which is not known to the author(s) of this document. Emkay global financial services limited and/or their respective affiliates, officers, directors, and employees may from time to time purchase, subscribe for, add to, dispose of or have positions or options in or warrants in or rights to or interests in the securities of the company or any of its affiliates companies mentioned in this document (or may have done so before publication of this document) or make a market or act as principal or agent in any transactions in such securities.

By accepting this document, you agree to be bound by the foregoing limitations.

This document has been produced by Emkay Global Financial Services Limited, independently of Ethos Limited (The "Company") and its shareholders, to provide background information about the company and any forecasts, opinions and expectations contained herein are entirely those of Emkay Global Financial Services Limited and are given as part of its normal research activity and should not be relied upon as having been authorised or approved by any other person. Emkay global financial services limited has no authority whatsoever to make any representation or warranty on behalf of the company, its shareholders, any of its advisers, or any other person in connection therewith.

This document does not contain any projections, conjectures, estimates or the like in accordance with applicable Indian Law. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions and expectations contained herein are fair and reasonable, Emkay Global Financial Services Limited has not verified the contents hereof and no reliance should be placed on the accuracy, fairness or completeness of the information contained in this document. No person accepts any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith, and neither Emkay Global Financial Services Limited, the company, any underwriter of securities of the company nor any of their respective directors, officers or employees, shall be in any way responsible for the contents hereof, including with respect to forward looking statements, if any. Emkay global financial services limited and/or persons connected with it may have acted on or used the information herein contained, or the research or analysis on which it is based, before

its publication. Emkay global financial services limited may in the future participate in the offer of company's securities. Any opinions herein constitute a judgement as at the date of this document. There can be no assurance that future results or events will be consistent with any such opinions. This information is subject to change without notice and its accuracy is not guaranteed. It may be incomplete or condensed and it may not contain all material information concerning the company.

Emkay global financial services limited, or an affiliated company of Emkay Global Financial Services Limited, is or may be a member of the underwriting group in respect of a proposed offering of securities by the company.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 16 May 2022 23:03:38 (SGT)

Dissemination Date: 16 May 2022 23:04:38 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of May 16, 2022
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of May 16, 2022.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the May 16, 2022
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the May 16, 2022

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com