

Bespoke Choices. Timeless Elegance.

Crafted to Perfection





Scan above QR code to know more about us.

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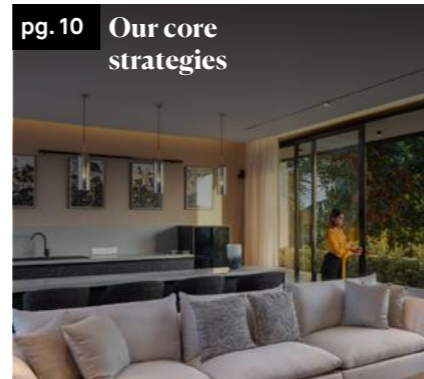


Forward-looking statements

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.



We actively incorporate customer feedback into our product development process, aligning our offerings with market demands and expectations. ”



pg. 10 Our core strategies



pg. 18 Contract Manufacturing



‘Luxury is the balance of design, in the sense of beauty and highest quality.’



At Stanley, we define luxury as indulgence, exclusivity and excellence. With over 25 years of experience, we have developed products that have been crafted to perfection. We take pride in carving a niche in one of the most dynamic markets, providing bespoke choices that have received unwavering love and support from our clients.

Over the years, we have strengthened our capabilities to deliver products that strike the perfect balance between timeless elegance and modern flair. Our products, synergising inspirational designs, finest quality and exquisite craftsmanship, have become the hallmark of innovation and luxuriousness.

On the backdrop of robust economic growth, the premium and luxury segment is witnessing robust growth in the coming years. As we increase our capabilities strategically, we are eager to capitalise on the growth opportunities that lie ahead of us. We envision crafting the world's finest furniture, delivering products that represent the new India and sharing our passion for creativity and elegance nationwide.

Committed to redefining spaces, we seek fine artisanship, eloquent designs and vibrant colours to create furniture detailed to the last stitch. Our market expertise, core strengths and strategic initiatives position us for robust growth. We believe that the world is our oyster. As we continue to craft our art to perfection, we will continue to deliver bespoke products that set new industry benchmarks and meet the expectation of our valued customers.

About us

25 years of delivering bespoke choices

At Stanley Lifestyles, we go beyond crafting furniture; We create experiences that redefine spaces with luxury and elegance. Our journey, fuelled by a passion for bespoke leather products and luxury furnishings, has made us a symbol of innovation and craftsmanship. Today, we offer a diverse range of products, catering to the sophisticated tastes of our discerning clientele.

As on 31st March, 2024, with a robust presence across 25 cities in India, Stanley Lifestyles operated with 64 Stores under three distinct formats: Stanley Level Next, Stanley Boutique and Sofas and More. Each format is designed to meet the unique needs of luxury, premium and value premium segments. Our vertically integrated model ensures complete control over the production process, allowing us to maintain high standards of quality and profitability.

As we look to the future, Stanley Lifestyles is set for growth, supported by our Successful IPO and strategic expansion plans. Our dedication to exceptional customer service and innovative design continues to drive our success, ensuring that Stanley Lifestyles remains a leader in the luxury furniture market.

Our...



Vision

Create outstanding products that have the power to make lives beautiful.



Mission

Move beyond furniture by offering complete home solutions, exceptional service and quality assurance of a deep-rooted manufacturing brand.



Goal

Transform every customer into loyal brand ambassador by ensuring their supreme satisfaction and joy.

25 Years

A leading home-grown luxury brand

Multiple Store formats catering to a different segment of the market



Strong fundamentals

Our leadership in the luxury furniture market is underpinned by a set of strong fundamentals that ensure our continued success

Extensive retail network

We proudly operate 64 stores* across 25 cities in India, making us the largest network in the Luxury and Super-Premium furniture segment, with a reach three times larger than our nearest competitor.

Vertically integrated model

Our fully integrated model allows us to control every aspect of production and retail, ensuring exceptional quality and operational efficiency, which supports our high profitability.

Consistent financial growth

We have achieved a revenue CAGR of 30.2% from FY21 to FY24, with a PAT CAGR of 147.3% over the same period, reflecting our efficient business model and strategic market positioning.

Diverse store formats

Through Stanley Level Next, Stanley Boutique and Sofas & More, we cater to various market segments, enhancing our brand's visibility and reach.

Comprehensive product range

Our offerings span multiple categories and price points, making us a complete home solutions provider for our discerning clientele.

Commitment to sustainability

We are dedicated to reducing our environmental impact through initiatives like localising leather processing and installing solar systems across our facilities, aligning our operations with sustainable practices.

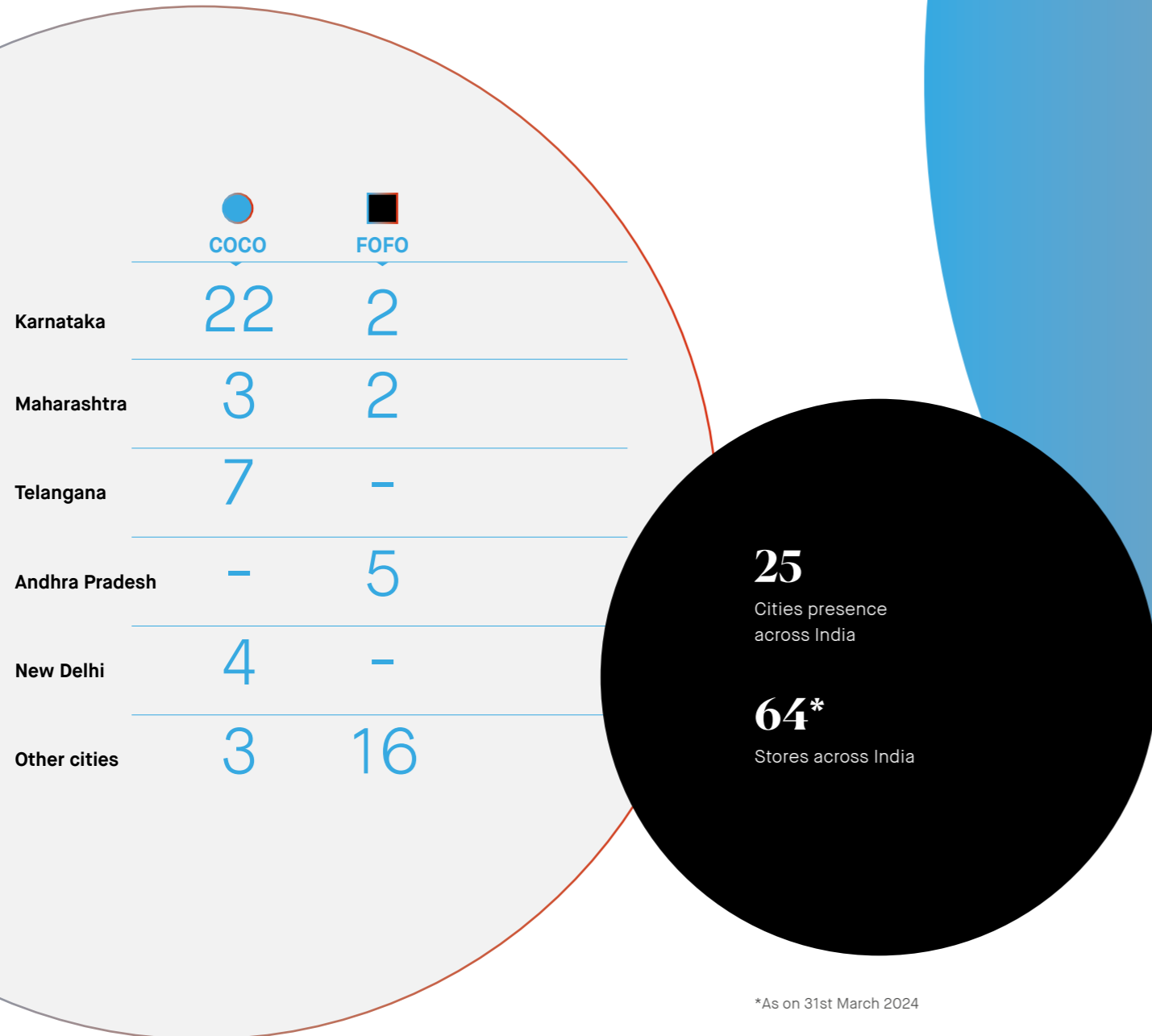
*As on 31st March 2024



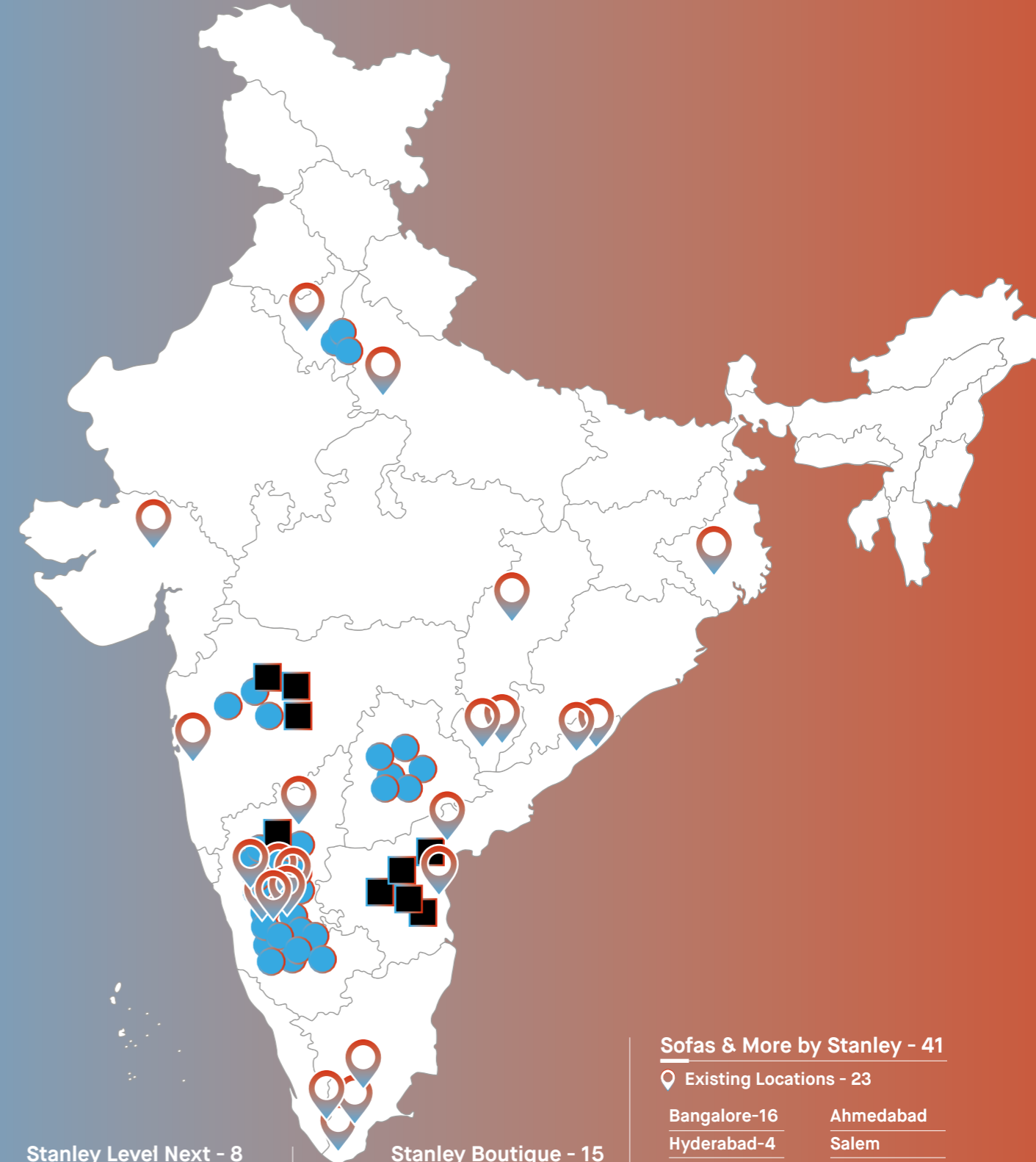
Our PAN India presence

Mapping our geographical footprint

We design, manufacture and retail our products through our network of Company-Owned and Company-Operated (COCO) and Franchisee-Owned and Franchisee-Operated (FOFO) stores



*As on 31st March 2024



Stanley Level Next - 8

Existing Locations-5

- Bangalore-4
- New Delhi
- Mumbai
- Hyderabad
- Cochin

Stanley Boutique - 15

Existing Locations - 8

- Bangalore 3
- Hyderabad-2
- New Delhi-2
- Mumbai-2
- Pune
- Kolkata-2
- Coimbatore
- Chennai-2

Sofas & More by Stanley - 41

Existing Locations - 23

- | | |
|--------------|-----------|
| Bangalore-16 | Ahmedabad |
| Hyderabad-4 | Salem |
| Mysore | Calicut |
| Coimbatore | Madurai |
| Cochin | Nellore |
| Trivandrum | Vizag |
| Tirunelveli | Raipur |
| Tirupati | Llicknow |
| Guntur | New Delhi |
| Vijayawada | Chennai |
| Bhiwandi | Pune |
| Vellore | |

Our core strategies

Crafting timeless elegance by leveraging our strengths

Further expand our product offerings to include a wider range of home solutions across various price points.

Diversify product portfolio

Evaluate and increase our presence in the B2B segment, exploring distribution arrangements to enhance market reach.

Leverage B2B opportunities

Enhance brand awareness

Increase brand visibility and recognition through strategic marketing initiatives and partnerships.

Embrace technological advancements

Utilise technology to enhance customer experience and streamline operations, ensuring efficiency and innovation.

Expand retail presence

Continue to grow our retail footprint within India and internationally by leveraging the strong "Stanley" brand appeal.

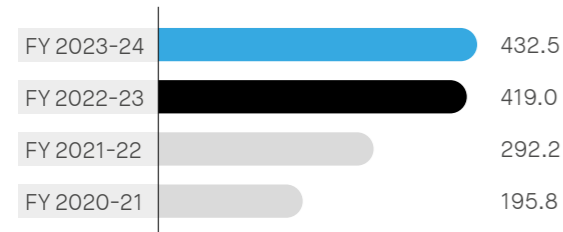
Focus on design-led innovation

Maintain a strong emphasis on design-led product development to stay ahead of industry trends and meet customer expectations.



Revenue Generated

(₹ in Crore)

**EBITDA**

(₹ in Crore)

**EBITDA Margin**

(in %)

**Profit Before Tax**

(₹ in Crore)

**Profit After Tax**

(₹ in Crore)

**ROCE**

(%)

**Net Worth**

(₹ in Crore)



All the numbers are on Consolidated basis

Our journey

Sharing the journey of the Makers of Beautiful

2024

- Listed on BSE and NSE
- Company is planning to open approximately 11 stores in FY 2024-25

2023

Store count of the Company increased to more than 50 stores

2019

- Raised funding from Oman India Joint Investment Fund II
- Opened its first store under 'Sofas & More by Stanley' format
- Opened the first store under 'Stanley Level Next' format to offer luxury products

2021

Store count increased to 25 stores

2018

- Incorporation of a subsidiary 'SDPL' through a joint venture agreement.
- Opened first COCO store in Hyderabad

2012

- Opened first store in Chennai, Tamil Nadu.
- Opened first COCO store in Bengaluru, Karnataka

2011

- Opened first retail store under the "Stanley Boutique" format in Bengaluru, Karnataka
- Opened first FOFO store in Kochi, Kerala

2008

'Stanley Seating' was converted from a partnership firm to a private limited Company in the name of 'Stanley Lifestyles Limited'

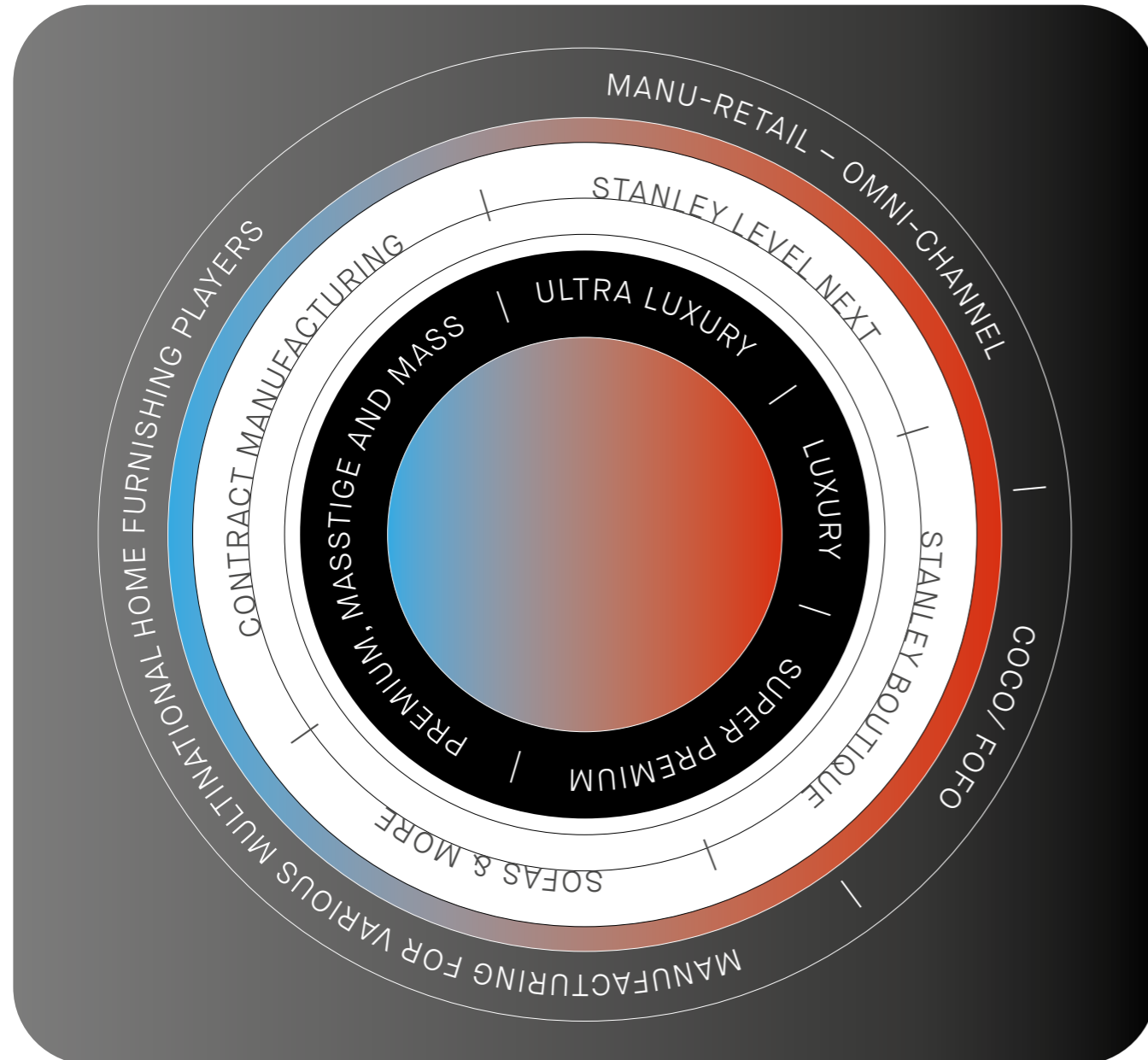
2007

Incorporated as a partnership firm in the name of 'Stanley Seating'

Our offerings

Synergising unparalleled quality and exquisite craftsmanship

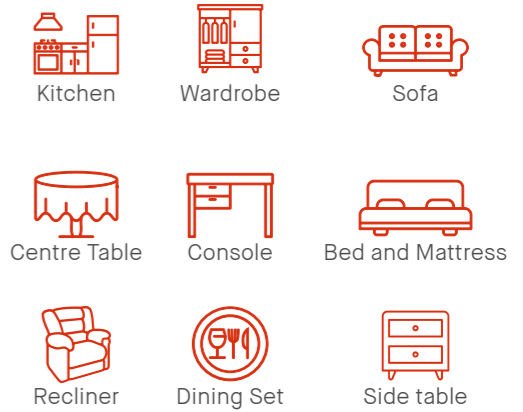
We have meticulously crafted our business segments to meet the varied needs of our discerning clientele, ensuring that we remain a leader in the luxury furniture market. Each segment is designed to cater to different market demands, offering a comprehensive range of products and services that align with our commitment to quality and innovation.



Stanley Level Next

This segment caters to the ultra-luxury market, offering bespoke home solutions like kitchens, wardrobes and high-end furniture designed for those who seek the finest in-home living. Stanley Level Next combines exquisite craftsmanship with unparalleled style.

Products offered



8*

Number of stores

* As on 31st March 2024

Rs. 5 Lakhs and above

Ticket Size (3+2 Sofa Set)

10,199 Sq. Ft.

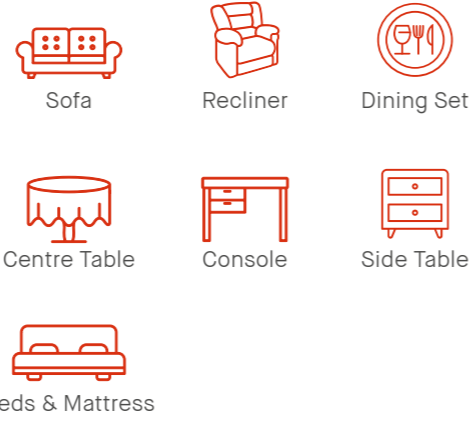
Average store size



Stanley Boutique

Targeting the luxury segment, Stanley Boutique provides a curated selection of Premium Sofas, Recliners and Dining Sets. Each piece is crafted to embody elegance and sophistication, perfect for customers who appreciate high-quality design and detail.

Products offered



15*

Number of stores

*As on 31st March 2024

Rs. 3 - 5 Lakhs

Ticket Size (3+2 Sofa Set)

6,161 Sq. Ft.

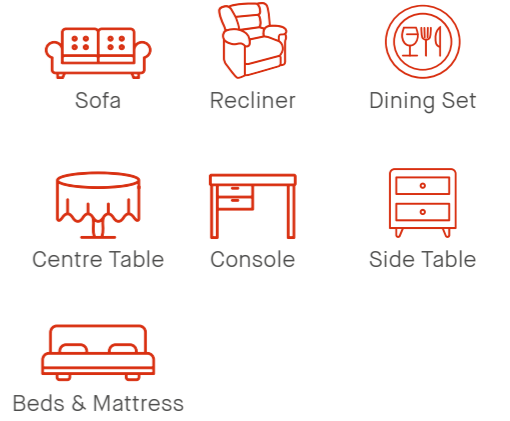
Average store size



Sofas & More

Positioned in the super-premium and premium segments, Sofas & More offers stylish and functional furniture solutions. With a focus on comfort and aesthetics, this segment provides value-driven options without compromising on quality.

Products offered



41*

Number of stores

*As on 31st March 2024

Rs. 1.5 - 3 Lakhs

Ticket Size (3+2 Sofa Set)

6,542 Sq. Ft.

Average store size



Contract Manufacturing

Our Contract Manufacturing Services, leverage our expertise and facilities to produce high-quality furniture for other brands. By partnering with global players, we enhance our operational skill and flexibility, ensuring efficient production and delivery.



Our products

Seating

Our seating collection includes luxurious sofas, recliners and chairs, crafted for comfort and elegance, perfect for both modern and classic interiors.

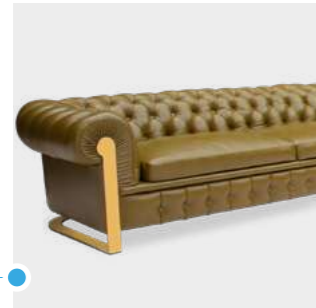
55%

Revenue contribution in FY24

Sofa-cum-Bed



Sofas



Recliners



Dining Chairs



Pouffes



Bar Stools



Cushions



Cased goods

We provide a variety of cased goods such as dining tables, coffee tables and cabinets each piece designed to complement and enhance any living space.

16%

Revenue contribution in FY24

Coffee Tables



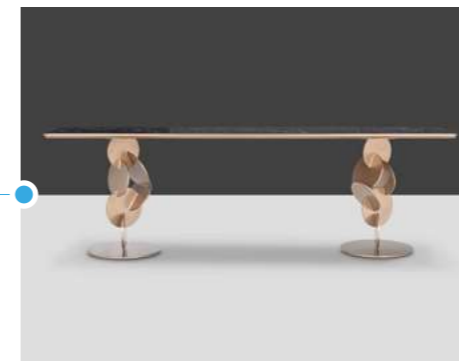
Dining Tables



End Tables



Consoles



Kitchen and cabinetry

Our kitchen and cabinetry solutions are tailored to create functional and stylish spaces, offering modular designs that blend innovation with practicality.

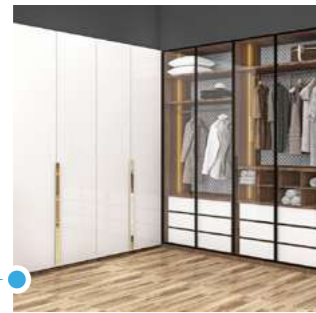
Kitchens



6%

Revenue contribution in FY24

Laundry / Utility

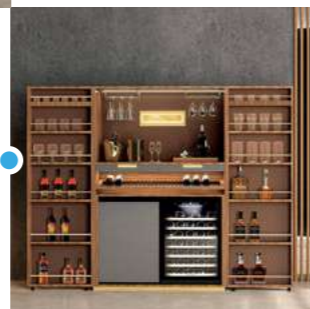
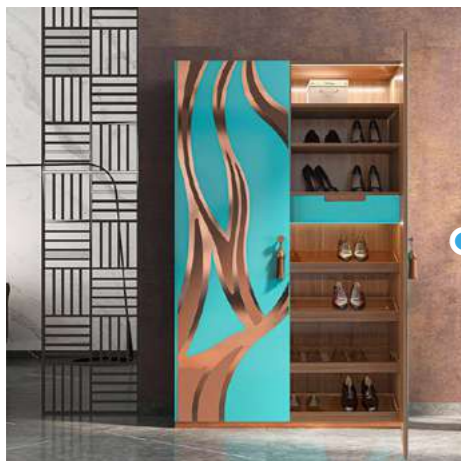


Wardrobes



Bar Units

Shoe Racks



Prayer Units



Bedside Tables



Mattresses and beds

Experience ultimate comfort with our range of mattresses and beds, designed to provide restful sleep and support, combining quality materials with expert craftsmanship.

Mattresses



5%

Revenue contribution in FY24

Pillows and Accessories



Beds



Automotive and others

In addition to home furnishings, we offer specialised products for the automotive sector.

7%

Revenue contribution in FY24

11%

Revenue contribution in FY24 (From leather automotive interiors)



Operational excellence

Strategies fuelling our growth over the years

Our operations are powered by advanced facilities and cutting-edge technology, ensuring precision and efficiency in every product. Strategic supply chain optimisation and agile processes enable us to swiftly adapt to market demands and maintain seamless production. Our integrated model allows us to control all aspects of our processes, from raw material procurement to product design, manufacturing, quality, marketing and sale through our COCO and FOFO Stores.

Our balanced inventory strategy combines Just-In-Time ('JIT') and Never-Out-Of-Stock ('NOOS') methodologies, ensuring production continuity and seamless operations. We employ dynamic production scheduling based on real-time data, allowing us to quickly adapt to market demands.

At scale, Company gets better cost benefit due to sourcing and better opportunity to localise the raw-materials. However, the Company still relies on imports for primary raw-materials to meet quality requirements.

State-of-the-art facilities

Our manufacturing excellence is anchored in advanced facilities spanning over 3,00,000 square feet, equipped with cutting-edge CNC wood and automated leather-cutting machines. This infrastructure ensures precision and efficiency in every product we create.

Our manufacturing plants

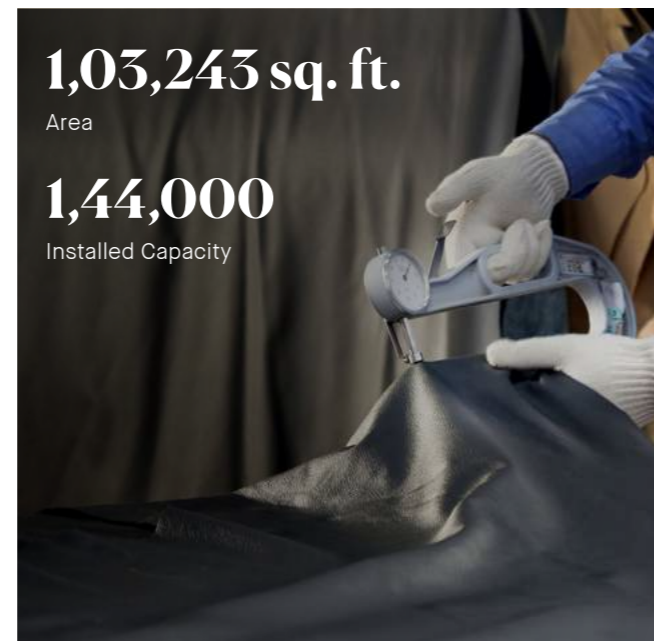
Electronic city



1,97,643 sq. ft.
Area

1,63,200
Installed Capacity

Jigani



1,03,243 sq. ft.
Area

1,44,000
Installed Capacity

Quality assurance

We are committed to excellence through rigorous quality control and advanced technology. By integrating customer feedback and continuous skill development, we ensure our products consistently meet the highest standards. We ensure premium product quality through rigorous control measures at every production stage, with automated processes like CNC wood and foam cutting, with digital drawings. We actively incorporate customer feedback into our product development process, aligning our offerings with market demands and expectations.



Innovation

Innovation drives our product development, keeping us at the forefront of industry trends. Through cutting-edge technology and a culture of creativity, we continuously introduce new products that align with customer needs. Our product development process is dynamic, beginning with conceptual design and moving through material selection, prototyping and

testing. By introducing around 100 new products annually, we ensure our portfolio remains fresh and aligned with global design trends and customer feedback.

We utilize advanced software like 3CAD and AutoCAD to enhance design accuracy and efficiency. Automation, including CNC wood and

leather cutting machines, optimizes our production processes, reducing costs and improving supply chain efficiency. These innovations ensure we deliver high-quality products at competitive prices.

Marketing

Our marketing strategy reinforces our premium brand position. By combining targeted customer segmentation with digital and traditional channels, we effectively engage our diverse clientele and drive growth.

Premium positioning and brand identity

Stanley positions itself as a premium market player, leveraging over two decades of brand-building to appeal to a discerning clientele. Our brand identity is rooted in delivering high-quality, beautifully crafted items that enhance luxury homes, catering to affluent customers seeking sophistication and elegance.

Retail network and sales strategy

Physical Stores are crucial to our sale strategy, given the limited penetration of online sales in our segment. In FY24, we expanded our retail network, focusing on emerging markets to enhance market presence. Our stores play a vital role in engaging customers directly and showcasing our products quality and craftsmanship.

Customer segmentation and targeted strategies

We segment our customer base into three categories: Stanley Level Next for ultra-luxury residences, Stanley Boutique for luxury homes and Sofas & More for premium value seekers. Each segment is targeted with tailored marketing strategies, including specifier marketing, architecture shows, exhibitions and social media campaigns. This ensures effective reach and engagement across diverse customer groups.

Product launches and market research

We meticulously plan and execute new product launches, using events like our annual congress to introduce over 70 new products. These launches are supported by comprehensive marketing strategies to generate leads and drive sales. Continuous market research, including global design trends and customer data analysis, informs our product development, ensuring our portfolio remains aligned with customer needs and preferences.

Digital and traditional marketing channels

Our marketing strategy integrates digital channels with traditional methods to maximise reach. We utilise robust SEO and Google Search strategies, particularly in Bangalore, while complementing digital efforts with print and outdoor advertising. The multi-channel approach ensures strong brand visibility, especially among our primary audience, which is predominantly over 45 years old.



Did you know?

By utilising virtual showrooms and augmented reality tools through our 360-degree model, we allow customers to explore and visualise our products in their own spaces. Our omnichannel integration ensures a consistent shopping experience across all platforms.

STANLEY

Bespoke. Made Beautiful

- Kitchens
- Wardrobes
- Sofas
- Recliners
- Beds
- Dining Tables
- Armchairs
- Bespoke

Stores nationwide
lovestanley.com

Choose from our elaborate designs of stationary and motion sofas. We offer 100's of styles, 250+ leather and fabric colors, custom-made to suit your specific requirements.



OFF SEASON
SALE
 NOW ON

Our Experience Centres

Luxury Format
STANLEY
 LEVEL NEXT

Bangalore

- Electronic City - 74064 44444
- Sadashivnagar - 96039 42300
- 100ft Rd, Indiranagar - 99721 28544
- Airport Rd. - 99720 67005

Premium Format
STANLEY
 BOUTIQUE

Bangalore

- Banashankari - 81479 92779
- Dickenson Rd. - 96111 28236
- Mission Rd. - 91482 23170
- Airport Rd. - 99720 67005

Value Line Format
SOFAS & MORE

Bangalore

- Banashankari - 96639 11477
- Banaswadi - 91487 63030
- Dickenson Rd. - 96063 06420
- Electronic City - 91482 24120
- HSR Layout - 88677 03148
- Indiranagar - 87929 22311

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- JP Nagar - 91481 33170
- Marathahalli - 77608 58990
- Mission Rd. - 91482 23170
- Mysore Rd. - 96064 00760
- Old Madras Rd. - 78996 78300
- Sarjapur Rd. - 96320 66733
- Whitefield - 89519 94664
- Yeshwanthpur - 91487 18080
- Yelahanka - 91482 20670
- Airport Rd. - 96067 10424

STANLEY LIFESTYLES LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the DIMP with SEBI. The DIMP is available on the websites of SEBI at www.sebi.gov.in, stock exchanges i.e. BSE at www.bseindia.com and NSE at www.nseindia.com, respectively and is available on the website of the Company at www.stanleylifestyles.com and website of the BSE/MX, i.e. Anix Capital Limited at www.anixcapital.co.in, ICICI Securities Limited at www.icicisecurities.com, JM Financial Limited at www.jmf.com and SBI Capital Markets Limited at www.sbicapm.com, respectively. Bidders should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see the section titled "Risk Factors" that will be included in the Red Herring Prospectus. Bidders should not rely on the DIMP filed with SEBI for making any investment decision. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, "the U.S. Securities Act" or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the



Bespoke furniture
for Luxury Living

Living rooms
Kitchens
Bedrooms
Dining rooms
Common spaces
Home theatre
Lighting
Accessories

Stores nationwide
lovestanley.com

STANLEY MAKERS OF BEAUTIFUL



**EUROPEAN ELEGANCE,
CRAFTED IN INDIA.**

Putting 27 years of passion into
today's finest bespoke furniture.

A STANLEY PRODUCT
**STANLEY INTRODUCES CABINETRY CULT.
YOUR HOME, MADE BEAUTIFUL.**

Everything You Want For A Beautiful Home.

Showcased here is the Walk-In wardrobe. Kitchens, wardrobes and more can all be yours from Stanley's Cabinetry Cult. Every piece of furniture gorgeously and skilfully crafted to the highest standards and in the best taste. Choose your style, select from the finest materials and have the home you always dreamed of.

Visit Our Flagship Stores - **Stanley Level Next**
 • BANGALORE: • Electronic City - 96327 52020 • Sadashivnagar - 96639 20556 • Airport Rd. - 89518 92440

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STANLEY LIFESTYLES LIMITED is proposing to apply for statutory and regulatory requirements, subject to applicable approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the Draft with SEBI. The Draft is available on the website of SEBI at www.sebi.gov.in and SEBI at www.lovestanley.com and SEBI at www.lovestanley.com. Investors should read the Draft Prospectus and the Draft Red Handed Book for the Draft Equity Shares and the Draft Red Handed Book for the Draft Equity Shares carefully and should not invest in the Draft Equity Shares unless they have read and understood the Draft Prospectus and the Draft Red Handed Book for the Draft Equity Shares. The Draft Prospectus and the Draft Red Handed Book for the Draft Equity Shares are available on the website of SEBI at www.sebi.gov.in and SEBI at www.lovestanley.com and SEBI at www.lovestanley.com. The Draft Prospectus and the Draft Red Handed Book for the Draft Equity Shares are available on the website of SEBI at www.sebi.gov.in and SEBI at www.lovestanley.com and SEBI at www.lovestanley.com. The Draft Prospectus and the Draft Red Handed Book for the Draft Equity Shares are available on the website of SEBI at www.sebi.gov.in and SEBI at www.lovestanley.com and SEBI at www.lovestanley.com. There will be no public offering of the Equity Shares in the United States.

A STANLEY PRODUCT
**STANLEY INTRODUCES CABINETRY CULT.
YOUR HOME, MADE BEAUTIFUL.**

Everything You Want For A Beautiful Home.

Kitchens, wardrobes and more can all be yours from Stanley's Cabinetry Cult. Every piece of furniture gorgeously and skilfully crafted to the highest standards and in the best taste. Choose your style, select from the finest materials and have the home you always dreamed of.

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Our competitive strengths

Staying ahead of the curve

Over the years, we have strengthened our capabilities to consistently deliver products that have been crafted to perfection. At Stanley, we envision a home-grown luxury brand dominating the future of luxurious home solutions. We have strategically undertaken several initiatives to gain a competitive advantage over our peers.



Largest and fastest growing brand

We are recognised as the largest and fastest-growing brand in the luxury and super-premium furniture segment in India. Our expansive retail network, which is three times larger than our nearest competitor, allows us to cater to a wide range of customers across the country.

Comprehensive home solutions

Our offerings span across various categories and price points, making us a comprehensive home solutions provider. From ultra-luxury to premium segments, we deliver diverse product lines that meet the needs of our discerning clientele.

Strategic pan-India presence

Our strategically located stores across India ensure enhanced brand visibility and accessibility. This extensive reach allows us to tap into emerging markets and capitalise on the growing demand for premium and luxury housing.

Design-led product innovation

Innovation is at the heart of our operations, with a strong focus on design-led product development. We continuously introduce new products that align with global trends and customer preferences, maintaining our competitive edge.

Vertically integrated manufacturing

Our vertically integrated manufacturing model provides complete control over our processes, ensuring high-quality craftsmanship and operational efficiency. This integration supports our ability to maintain high profitability while delivering exceptional products.

Efficient business model

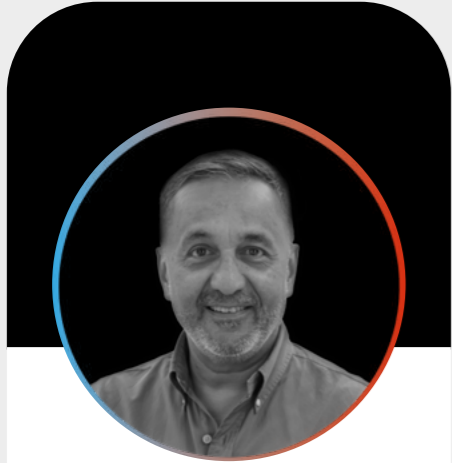
Our business model is designed for efficiency, with a proven track record of delivering financial growth. We consistently achieve strong revenue and profit margins, reflecting our strategic focus on operational excellence and market leadership.

Experienced leadership team

Led by a promoter-driven management team with extensive industry experience, we benefit from strategic insights and a deep understanding of the luxury furniture market. Our leadership is committed to driving sustainable growth and creating long-term value for stakeholders.

Board of Directors

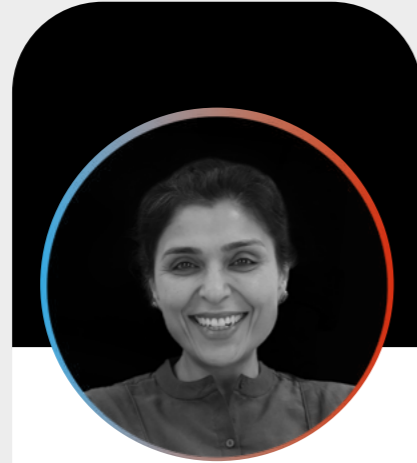
Leading the path with experience and tenacity



Sunil Suresh

Managing Director

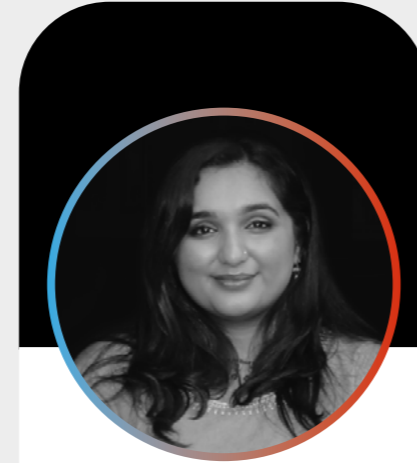
- Has been associated with our Company as a Promoter and a Director since October 11, 2007.



Shubha Sunil

Whole Time Director

- Has been associated with our Company as a Promoter and Director since October 11, 2007.
- Cleared the Bachelor of Science examination held by Bangalore University, Karnataka.
- Holds a Certificate of completion of the INSEAD Leadership Programme for Senior Executives from INSEAD.

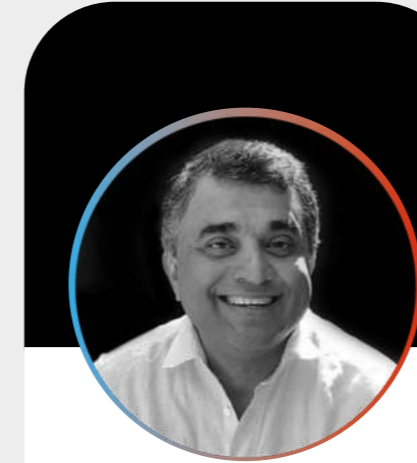


Sonakshi Sunil*

Non-Executive Director

- Mrs. Sonakshi Sunil is a Non-Executive Director of our company. She holds a dual honors degree in Economics and Business Management from Nottingham Trent University. Sonakshi joined the business in 2020, shortly after graduating from university. She began her journey in retail and later explored the Business Development and Marketing departments, where her true passions lie. Currently, she is involved in the hospitality sector.

*Mrs. Sonakshi Sunil was appointed on the Board with effect from 14th August 2024.



Girish Shrikrishna Nadkarni

Independent Director

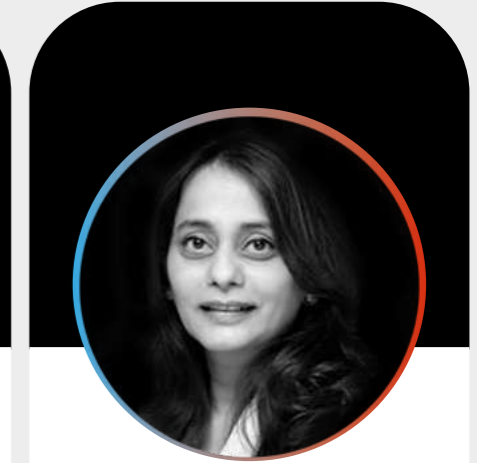
- Has over 16 years of experience.
- Holds a Bachelor's degree in Commerce from the University of Mumbai and has cleared the examination held by the Institute of Cost Accountants of India.
- Holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.
- External Engagement - Serving as a Director on the Board of Clair Advisors Private Limited.



Ramanujam Venkat Raghavan

Independent Director

- 18+ years of experience.
- Bachelor of Commerce, Bangalore University
- External Engagement – Associated with Shahi Exports Private Limited as the Chief Executive Officer and Director.



Anusha Shetty

Independent Director

- 17+ years of experience.
- Post Graduate Diploma in Management from T. A. Pai Management Institute, Manipal.
- External Engagement – Associated with Grey Group India as Chairperson and Group Chief Executive Officer.

Corporate Information

Board of Directors

Sunil Suresh –
Managing Director

Shubha Sunil –
Whole-time Director

Anusha Shetty –
Independent Director

Girish Shrikrishna Nadkarni –
Independent Director

Ramanujam Venkat Raghavan –
Independent Director

Company Secretary & Compliance Officer

Akash Shetty

Chief Financial Officer

Pradeep Kumar Mishra

Registered Office

SY No.16/2 and 16/3 Part, Hosur Road,
Veerasandra village,
Attibele Hobli, Anekal Taluk,
Bangalore - 560100
Karnataka – India

Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Building,
Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddi, Telangana India - 500 032

NOTICE OF 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the **17th (Seventeenth) Annual General Meeting** of the Members of **Stanley Lifestyles Limited** will be held on **Monday, September 30, 2024, at 04:00 P.M.** ("Notice") through Video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS

- I. To receive, consider and adopt: -
 - i. The Standalone Audited Financial Statements for the financial year ended **31st March 2024** and the Reports of the Board of Directors and Auditors thereon
 - ii. The Consolidated Audited Financial Statements for the financial year ended **31st March 2024** and the Reports of the Auditors thereon
- II. To appoint a director in place of Mrs. Shubha Sunil (DIN: 01363687), who retires by rotation and being eligible, offers herself for re-appointment.
- III. Re-Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company.

"RESOLVED THAT pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of the Company, the approval of Members of the Company, be and is hereby accorded for the re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (FRN:117366W/W-100018) as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of **17th Annual General Meeting** till the conclusion of the **22nd Annual General Meeting** to be held in the year 2028-29 to examine and audit the accounts of the Company, at such remuneration plus taxes as applicable and reimbursement of out of pocket expenses in connection with the audit as may be determined by the Board of Directors of the Company or any committee thereof ("Board").

RESOLVED FURTHER THAT the Board 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 and for matters connected therewith or incidental thereto."

SPECIAL BUSINESS

- IV. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution: -

RATIFICATION OF THE 'EMPLOYEE STOCK OPTION PLAN 2022'

"RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("the Act"), if any, read with rules framed thereunder and Rule 12 of (Share capital and Debenture Rules) 2014 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") read with circulars and notifications, if any, issued thereunder to the extent applicable, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any other applicable laws, (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members of the Company be and is hereby accorded for ratification of the 'Employee Stock Option Plan 2022', originally approved prior to the Initial Public Offer by Members of the Company at their Extra Ordinary General Meeting held on 31st August, 2023 and authorizing the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee including Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under the SEBI SBEB & SE Regulations to create, offer and grant up to 19,30,506 (Nineteen Lakhs Thirty Thousand Five Hundred and Six) employee stock options ("Options"), in one or more tranches, from time to time, to or for the benefit of such eligible employee of the Company including the employees of the group company(ies), subsidiary company(ies) and associate company(ies) of the Company, as designated within the meaning of the Plan, subject to their eligibility as may be determined under the Plan, exercisable into not more than 2% options, to be allotted to the option grantees by the Company, where Options upon exercise shall convert into equity

shares of the Company subject to payment/ recovery of requisite exercise price and applicable taxes and on such further terms, conditions and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan be and is hereby amended and ratified to bring forth the one change that is detailed in the explanatory statement annexed hereto in accordance with SEBI (SBEB & SE) Regulations, to amend and modify Point 3 in clause 3.2 to change the maximum number of options that may be granted to each eligible employee.

RESOLVED FURTHER THAT the equity shares of the Company as specified hereinabove shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares are required to be issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the ceiling in terms of number of equity shares specified above shall automatically stand augmented or reduced, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity share of the Company after such sub-division or consolidation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the Plan or any Options granted thereunder, as it may deem fit, from time to time, in its sole and absolute discretion in conformity with the provisions of the SEBI SBEB & SE Regulations and the applicable provisions of Act, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies as prescribed under the SEBI SBEB & SE Regulations and applicable laws and regulations to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the equity shares and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors with a power to further delegate to any executives / officers of the company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

- V. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution: -

RATIFICATION OF GRANT OF EMPLOYEE STOCK OPTIONSTO THE EMPLOYEES OF GROUP COMPANY(IES) INCLUDING SUBSIDIARY COMPANY(IES) OR ASSOCIATE COMPANY(IES) UNDER 'EMPLOYEE STOCK OPTION PLAN 2022'

"RESOLVED THAT pursuant to the provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 ("Act"), if any, read with rules made thereunder and Rule 12 of (Share capital and Debenture Rules) 2014 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"), read with all circulars and notifications, if any, issued thereunder to the extent applicable, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any other applicable laws (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Members of the Company be and is hereby accorded for ratification of the 'Employee Stock Option Plan 2022' originally approved prior to the Initial Public Offer by Members of the Company at their Extra Ordinary General Meeting held on 31st August, 2023 and authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under the SEBI SBEB & SE Regulations to offer, create and grant from time to time, in one or more tranches, such number of employee stock options under the Plan within the limit prescribed therein to or for the benefit of such eligible employees as designated within the meaning of the Plan, of the group company(ies) including subsidiary company(ies) or associate company(ies), whether in or outside India, exercisable into corresponding number of equity shares of face value of ₹ 2/- (Rupees Two only) each fully paid-up, where employee stock options

would convert into equity shares upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution and for matters connected therewith or incidental thereto.”

- VI. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: -

APPOINTMENT OF MRS. SONAKSHI SUNIL, (DIN: 09387990) AS DIRECTOR IN THE CATEGORY OF NON-EXECUTIVE DIRECTOR

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and the Board and in accordance with the applicable provisions of Sections 152, 161, 164 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules and regulations made thereunder (collectively referred to as the “Companies Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, other applicable law and pursuant to the provisions of the articles of association of the Company, approval of the Shareholders of the Company be and is hereby accorded to appoint Mrs. Sonakshi Sunil, (DIN: 09387990), who has provided her consent to act as a Non-Executive Director of the Company, and who is eligible for appointment, be and is hereby appointed as a Non-Executive Director of the Company for a period for a period of 5 consecutive years commencing from August 14, 2024 to August 13, 2029 (liable to retire by rotation) and shall be paid a sitting fees and commission, if any for attending meetings of the Board or any committees thereof to Mrs. Sonakshi Sunil, (DIN: 09387990), as may be determined by the Board from time to time.

RESOLVED FURTHER THAT any of the directors and/or company secretary of the Company and such other persons as may be authorised by the Board be and are hereby severally authorised to file necessary forms with the Registrar of Companies, Karnataka, at Bengaluru and do all such acts, deeds, matters and things as may be required to be done to give effect to the above resolution.

RESOLVED FURTHER THAT any one Director, and/or Company Secretary of the Company is authorised to certify the true copy of the aforesaid resolutions.”

- VII. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution: -

TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS OF UNLISTED SUBSIDIARIES

“RESOLVED THAT in accordance with the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (‘SEBI Listing Regulations’), applicable provisions of the Companies Act, 2013 (the ‘Act’) read with Rules made thereunder, other applicable circulars, laws, statutory provisions, if any, [including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force], the Company’s Policy on Related Party Transactions, and subject to other approval(s), consent(s), permission(s) as may be necessary from time to time and on the basis of the approval and recommendations of the Audit Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to the transaction which took place between Shrasta Décor private Limited - Stepdown Subsidiary of the company and Design Eight Private Limited (DEPL)-Entity in which KMP of Shrasta Décor Private Limited has control as set out in the Explanatory Statement annexed to the Notice convening this Meeting and on such terms and conditions as may be mutually agreed between the parties, such that the maximum value of the transactions with DEPL, in the aggregate, ₹ 9.45 crores (Rupees Nine Crore Forty - Five Lakhs only, including GST) during the financial year 2024-25 provided that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at arm’s length basis and in the ordinary course of business of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer, Company Secretary or any other Officer / Authorised Representative of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.”

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. III

Details of the Auditors proposed to be re-appointed as required in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number: 117366W/W-100018), were appointed as statutory auditors of the Company at the 12th Annual General Meeting (“AGM”) held on September 23, 2019 to hold office from the conclusion of the said meeting until the conclusion of the 17th AGM of the Company. The tenure of M/s. Deloitte Haskins & Sells LLP will end on conclusion of this AGM.

Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on 2nd September 2024, approved the re-appointment of M/s. Deloitte Haskins & Sells LLP as the statutory auditors of the Company for a second term of five consecutive years from the conclusion of the 17th AGM till the conclusion of the 22nd AGM to be held in the year 2029, subject to approval of the shareholders of the Company. The proposed audit fees to be paid to M/s. Deloitte Haskins & Sells LLP for audit services for the financial year ending March 31, 2025, is ₹ 75 Lacs (Rupees Seventy- Five Lakhs only) plus applicable taxes and out-of-pocket expenses, the said fees shall be excluding of fees for other services that may be availed in the future. The audit fees for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company.

M/s. Deloitte Haskins & Sells LLP have given their consent to act as Statutory Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the limits specified under the Companies Act, 2013 (“Act”). They have also confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of provisions Sections 139(1) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

M/s. Deloitte Haskins & Sells LLP is limited liability partnership firm incorporated in India and is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (“ICAI”) with (ICAI Firm Registration No. 117366W/W-100018). The Firm was established in 1949 with its registered office in Kolkata and has offices across key cities in India. The Firm has a valid Peer Review certificate. All the network firms including the Firm are primarily engaged in providing audit and assurance services, certain tax and financial accounting advisory services to its clients. They along-with its network firms audit several large listed and private companies across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

The Audit Committee and the Board has considered factors like vast audit experience of the Deloitte Haskins & Sells LLP in various segments, market standing of the firm, qualifications and experience of the partners of the firm, engagement team’s experience, clientele served, sound technical knowledge, etc. and found credentials of SRB & Co. suitable to handle the statutory audit of the Company.

PARTICULARS OF STATUTORY AUDITORS AS REQUIRED TO BE FURNISHED UNDER REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Sl. No.	Particulars	Disclosure
a.	Proposed fees payable to the statutory auditor(s) Terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The proposed audit fees to be paid to M/s. Deloitte Haskins & Sells LLP for audit services for the financial year ending March 31, 2025, is ₹ 75 Lacs (Rupees Seventy-Five Lakhs only) plus applicable taxes and out-of-pocket expenses, the said fees shall be excluding of fees for other services that may be availed in the future. The audit fees for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. NA (Since this is re-appointment, there is no change from the existing terms, apart from what is mentioned in the resolution).
b.	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed	Re-appointment is proposed as per recommendation of the audit committee.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Resolution as set out in Item No. III to be approved by the shareholders by way of Ordinary Resolution.

ITEM NOS. IV and V

The Company appreciates the critical role, its key employees play in the organizational growth. It strongly feels that the value created by its key employees should be shared with them. To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior and critical talents in line with corporate growth and creation of shareholders' value, the Company implemented an employee stock option plan namely 'Employee Stock Option Plan 2022' for employees including directors of the Company and group company(ies) including subsidiary company(ies) and associate company(ies) [other than promoters and persons belonging to the promoter group, independent directors and directors either himself or through his relative or through any body corporate holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Company] as eligible and defined under the Plan. In view of above, the Board of Directors and Members of the Company had approved the Plan prior to the listing of the Equity Shares of the Company.

In terms of Regulation 12 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations"), the Plan formulated prior to the listing of Equity Shares of the Company is further required to be ratified by the Members post listing of the Equity Shares of the Company.

Accordingly, the Plan is placed before the Members for ratification in terms of the aforesaid SEBI SBEB & SE Regulations after which your Company would be able to grant Options under the Plan and issue Shares under the Plan. The aforesaid proposals are not detrimental to the interests of any existing option grantees/employees.

The said proposal of ratification of the Plan was already approved by the Board of Directors ("Board") of the Company in their meeting held on 2nd September 2024.

One Variation in the Employee Stock Option Plan 2022

a) The details of the one Variation proposed in the Employee Stock Option Plan 2022 is provided

Clause of Plan	Existing Provision	New Provision
3.2 point 3	The maximum number of Options that may be granted to each Eligible Employee shall vary depending upon the designation and the appraisal/assessment process and shall not exceed 2% Options per [Eligible Employee] However, the Board or the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Eligible Employee in any tranche.	The maximum number of Options that may be granted to each Eligible Employee shall vary depending upon the designation and the appraisal/assessment process and shall not exceed 2% of the aggregate number of the issued and paid-up share capital of the Company of per [Eligible Employee] However, the Board or the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Eligible Employee in any tranche.

It is also informed to the members that if at any time the NRC proposes to grant to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant, approval of members will be taken, as per the SEBI SBEB & SE Regulations, 2021 and Companies Act, 2013

b) Rationale for the variation of the Plan

- i. The amendment is proposed to remove the ambiguity due to the use of the words 2% options in the existing scheme by replacing it with 2% of the aggregate number of the issued and paid-up share capital of the Company.
- ii. The proposed amendment if not detrimental to the interests of the employees/ directors of the Company, its subsidiary companies or its group companies (including associate companies, joint venture companies and holding company, if any).

c) Details of the employees who are beneficiaries of such variation

The beneficiaries of the proposed variation are all existing options grantees (who have not yet exercised their options) and such other option grantees to whom options may be granted in the future under Plan.

DISCLOSURES REQUIRED PURSUANT TO THE REGULATION 6(2) OF SEBI SBEB REGULATIONS IS PROVIDED HEREUNDER FOR THE CONSIDERATION OF THE MEMBERS:

a) Brief description of the Plan:

The Plan provides for grant of employee stock options ("Options") to the eligible employees including directors (collectively referred to as "employees") of the Company, its subsidiary company(ies) and its group companies/ associates, as may be permissible under the Companies Act and the SEBI SBEB & SE Regulations.

Upon vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company which shall be allotted by the company subject to receipt of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall superintend and administer the Plan with terms of reference of such powers as delegated by the Board or as are available under the applicable laws. All questions of interpretation of the Plan shall be determined by the Committee as per terms of the Plan and applicable laws.

b) Total number of Options to be offered and granted:

A total of 19,30,506 (Nineteen Lakh Thirty Thousand Five Hundred and Six) Options would be available for being granted to the eligible employees of the Companies under the Plan. Each Option when exercised would be converted into an equity share of face value of ₹ 2/- (Rupee Two only) each fully paid-up. Out of the total pool, an aggregate of 472,914 options have been granted to employees (including employees of subsidiaries), of which 407,328 options are outstanding and 51,647 have been vested and no options have been exercised in accordance with the ESOP Plan.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees or otherwise, would be available for being re-granted. The Committee is authorized to re-grant such lapsed / cancelled Options as per the Plan.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the Options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of Options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares issued.

c) Identification of classes of employees entitled to participate in the Plan and be beneficiaries in the Plan:

"Employee" shall mean –

- i. an employee as designated by the Company, who is exclusively working in India or outside India; or
- ii. a Director of the Company, whether a whole-time Director or not, including a Non-executive Director who is not a Promotor or member of the Promoter Group, but excluding an Independent Director; or
- iii. An Employee as defined in sub-clauses (i) or (ii), of a group company including Subsidiary Company or its Associate Company, in India or outside India, of the Company;

but does not include–

- a. an employee who is a Promotor or a person belonging to the Promoter Group; or
- b. a Director who, either himself or through his relative or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting:

The Options granted shall vest so long as the employee continues to be in the employment or service on the date of vesting and must neither be serving his notice of resignation nor termination of employment/ service on such date of vesting. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which Options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of Options granted shall vest in not earlier than 1 (One) year from the date of grant of such Options. The exact proportion in which and the exact period over which the Options would vest would be determined by the Committee at the time of grant, subject to the minimum vesting period of one year from the date of grant of Options.

e) The maximum period within which the Options shall be vested:

The Options granted shall vest in not more than 1 (One) year from the date of grant of such Options.

f) The exercise price or pricing formula:

The exercise price per Option shall be determined by the Committee which in any case shall not be less than the face value of the share of the Company as on date of grant on the basis.

g) The exercise period and the process of exercise:

The vested Options can be exercised by the employees within a maximum exercise period of 1 (One) year from the date of the vesting of such Options.

However, in case of death and permanent incapacity while in employment or service, the exercise period shall be up to a maximum of exercise period of 1 (One) Year commencing from the date of death or permanent incapacity, as the case may be.

The Options will be exercised by the employees by a written application to the designated officer of the Company in such manner and on execution of such documents, as may be prescribed in this regard from time to time.

The Option will lapse if not exercised within the specified exercise period.

h) The appraisal process for determining the eligibility of the employees for the Plan:

The Options shall be granted to the employees as per eligibility criteria determined by the Committee as it deems fit, from time to time, which may include attributes like past performance, achievement of key performance indicators, future potential, etc.

i) Maximum number of Options to be issued per employee and in aggregate:

Maximum number of Options to be issued per employee shall not exceed 2% of the aggregate number of the issued and paid-up share capital of the Company of per (proposed amendment mentioned in notice) per Eligible Employee.

However, the Board or the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Eligible Employee in any tranche.

j) Maximum quantum of benefits to be provided per Employee under the Plan:

The maximum quantum of benefits that will be provided to any employee under the Plan will be the difference between the market value of Company's equity shares on the Stock Exchanges as on the date of exercise of options and the exercise price paid by the employee.

Apart from above, no other monetary benefits are contemplated under the Plan.

k) Whether the Plan is to be implemented and administered directly by the Company or through a trust:

The Plan shall be implemented and administered directly by the Company, through the Nomination and Remuneration Committee (which shall be designated as the Nomination and Remuneration Committee for the purposes of the Plan) duly constituted by the Board from time to time.

l) Whether the Plan involves new issue of shares by the company or secondary acquisition by the trust or both:

The Plan contemplates fresh issue of shares by the Company.

m) The amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the Plan.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan:

This is not relevant under the Plan as the Plan contemplates using fresh shares to be issued by the Company.

o) Disclosure of Accounting Policies:

The Company shall comply with the accounting policies and disclosure requirements as prescribed under Regulation 15 of the SEBI SBEB & SE Regulations.

p) Method of option valuation:

To calculate the employee compensation cost, the Company shall use the fair value method for valuation of the Options granted as per prescribed under Ind- AS 102 or under any relevant accounting standard as notified by appropriate authorities from time to time.

q) Statement with regard to Disclosure in Director's Report:

As the company is adopting the fair value method, presently there is no requirement for disclosure in the Director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and

the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' report.

r) Period of Lock-in:

The shares arising out of exercise of vested Options would not be subject to any lock-in period after such exercise except such restrictions as prescribed under the applicable laws specifically in connection with or after listing of company's shares.

s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Plan:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of specified securities issued pursuant to exercise of Options granted under the Plan if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

The Plan implemented by the Company is in conformity with the provisions of SEBI SBEB & SE Regulations. A copy of the Plan and the certificate from the secretarial auditors of the company that the ESOP 2022 have been implemented in accordance with SEBI SBEB & SE Regulations is available in the electronic mode for inspection during office hours on all working days till the date of the conclusion of this AGM. Members seeking to inspect such documents can send the e-mail to investors@stanleylifestyles.com

Directors / Key Managerial Personnel / their relatives who are/ may be granted stock options under ESOP 2022 may be deemed to be concerned or interested in the resolution to the extent of stock options granted / to be granted pursuant to the Plan and to the extent of their shareholding in the Company, if any.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolutions set out at Item No. IV and V for approval of the Members as Special Resolution.

Information required in the statement to be filed with recognised Stock Exchange(s) as per regulation 10(b) of SEBI (SHARE BASED EMPLOYEE BENEFITS AND

SWEAT EQUITY) REGULATIONS, 2021 is Annexed to this Notice of AGM.

ITEM NO. VI

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 14th August, 2024 appointed Mrs. Sonakshi Sunil (DIN: 09387990) as an Additional Director of the Company with effect from 14th August, 2024.

Further, at the same meeting held on 14th August, 2024, the Board of Directors appointed Mrs. Sonakshi Sunil as a Non-Executive Director, (Key Managerial Personnel) of the Company for a term of five consecutive years effective from 14th August, 2024 to 13th August 2029, subject to approval of the members at the ensuing General Meeting and such other approval as may be required under applicable laws.

Mrs. Sonakshi Sunil (DIN: 09387990) holds a dual-honors degree in Economics and Business Studies from Nottingham Trent University, UK. She has been a Director of Sana Lifestyles Limited, a step-down Subsidiary from 2019 and Stanley OEM Sofas Limited, Subsidiary from 2024.

Mrs. Sonakshi Sunil is not a director or a committee member of any other Company in India and she does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The approval of members is also being sought for remuneration payable and to the terms, conditions and stipulations for the appointment of Mrs. Sonakshi Sunil as a Non-Executive Director for a term of five consecutive years effective from 14th August, 2024 to 13th August 2029.

The proposed terms and conditions are in line with the remuneration package that is necessary to encourage good professional managers with a sound career record to important position as that of a Non- Executive Director and is in accordance with the Nomination and Remuneration Policy of the Company.

The material terms of appointment and remuneration, as contained in the draft agreement, are given below: -

1. Salary, Allowances and Commission (hereinafter referred to as "Remuneration"):

i. Salary Comprising:

Basic salary: Nil ; and

Allowances: Nil

with revision, if any as per the Company's policy and as may be determined by the Board of Directors, from time to time.

2. Commission and Performance linked incentive:

On net profits of the Company determined in accordance with the relevant provisions of the Act as per the criteria and rate to be determined by the Board of Directors, from time to time, but not exceeding an amount equivalent to the Salary as mentioned above, for the relevant period.

The payment may be made on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis at the discretion of the Board of Directors. Commission may include elements of fixed remuneration payable based on net profits as per Rules of the Company. The performance-linked incentive shall also be linked to the performance during the relevant year.

3. Perquisites:

Her entitlement to the benefit schemes of the Company shall be in accordance with applicable law and as per the Company's policies in force from time to time

Mrs. Sonakshi Sunil shall be entitled, as per Rules of the Company, shall not be entitled to any perquisites.

The Board of Directors or Committee thereof may, in their discretion, revise/modify any of the terms from time to time, within the stipulated limits.

1. Minimum Remuneration:

Notwithstanding anything contained herein, in the event of loss or inadequacy of profits in any financial year during the period of her office as the Non-Executive Director, the Company will, subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mrs. Sonakshi Sunil as provided herein above.

2. Other Terms:

Subject to the superintendence, control and direction of the Board of Directors, Mrs. Sonakshi Sunil shall manage and conduct the business and affairs of the Company.

She shall be paid any sitting fees for attending meetings of the Board or Committee thereof as tabled below:

Meeting	Sitting Fees payable (in ₹)
Board Meeting	75,000/-
Nomination & Remuneration Committee Meeting	50,000/-

The period of office of Mrs. Sonakshi Sunil shall be liable to retirement of directors by rotation. If Mrs. Sonakshi Sunil is re-appointed as a director, immediately on retirement by rotation, she shall continue to hold office of Non-Executive Director and such re-appointment as director shall not be deemed to constitute break in her appointment as a Non-Executive Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee and given her expertise, knowledge and experience, the Board of Directors, considers appointment of Mrs. Sonakshi Sunil as the Non-Executive Non-independent Director to be in the interest of the Company and in view of the provisions of Sections 162, 196, and any other applicable provisions of the Act, recommends the ordinary resolution set out at item No. VI accompanying notice for the approval of the members.

Except Mrs. Sonakshi Sunil, being the appointee and Mr. Sunil Suresh, Managing Director (father of the appointee) and Ms. Shubha Sunil, Whole Time Director (mother of the appointee) , none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, or otherwise, in the resolution set out in the accompanying Notice.

Except as disclosed herein, Mrs. Sonakshi Sunil is not related to any other Directors of the Company other than the MD and WTD of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

ITEM NO. VII

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions, , provides that entering into material related party transactions which, either individually or taken together with previous transaction(s) during a financial year, exceed ₹ 1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

As per the Company's policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, a Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Further as per Regulation 23(4) of the SEBI(LODR), 2015, the listed entity shall take prior approval of shareholders, in the event of the transaction/s with a related party and step-down subsidiary of the listed entity may exceed 10 percent of the standalone turnover of the unlisted subsidiary.

The transaction referred to is the transaction between Shastra Décor Private Limited, a step-down subsidiary of the Company (55.95 percent of the shares, held by the Company) and Design Eight Private Limited.

Shrasta Décor Private Limited-a Step-down Subsidiary company, in order to further its business interests, enters into various transactions with its related parties. Amongst these transactions, the estimated value of transactions with Design

Eight Private Limited (DEPL) -Entity in which KMP of Shrasta Décor Private Limited has control, a related party under Regulation 2(1)(zb) of the Listing Regulations and Section 2(76) of the Companies Act, 2013 during the financial year 2024-25 is expected to exceed the materiality threshold as stated above.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 14th August 2024, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering into material related party transactions with DEPL during the financial year 2024-25, as set out in the Resolution. Approval of audit committee was taken for this transaction as per Regulation 23(2)(c) of SEBI(LODR), 2015.

It is also informed to the shareholders that the transaction of ₹ 9.45 crores, including GST took place before the Company was listed with the BSE and NSE.

DETAILS OF THE TRANSACTIONS AND OTHER PARTICULARS THEREOF AS PER RULE 15 OF THE COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014 READ WITH SECTION 188 OF THE COMPANIES ACT, 2013 (THE 'ACT') AS AMENDED TILL DATE AND SEBI MASTER CIRCULAR NO. SEBI/HO/CFD/POD2/CIR/P/2023/120 DATED JULY 11, 2023:

S. No.	Particulars	Description
1.	Name of the related party	Design Eight Private Limited
2.	Nature of relationship	Related Party of Step-down subsidiary (Entity in which KMP have control)
3.	Name of Director(s) or Key Managerial Personnel who is related, if any	Rajesh Manghnani – Director in Shrasta Décor Private Limited Sharmila Manghnani - Director in Shrasta Décor Private Limited
4.	Nature and material terms of the transaction	B2B sale transaction, one time
5.	Tenure of the transaction	FY 2024-25
6.	Nature of concern or interest	Financial
7.	Value of the transaction	Up to ₹ 9.45/- crores (Including GST)
8.	Percentage of the Company's annual audited consolidated turnover (excluding GST) for the immediately preceding financial year, that is represented by the value of the proposed transaction	1.86% on Audited Consolidated Annual Turnover of Stanley Lifestyles Limited for the FY 2023-24
9.	Justification as to why the related party transaction is in the interest of the Company	The Audit Committee and the Board of the Company are of the opinion that the arrangements are commercially beneficial to the Company and meeting the Arm's Length Pricing criteria hence the transactions are in the best interest of the Company.
10.	Details of the source of funds in connection with the proposed transaction;	NA
11.	Where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments	NA
12.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	NA
13.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	NA
14.	Details of valuation or other external party report, if such report has been relied upon	NA
15.	Percentage of the counter-party's annual turnover (excluding GST) that is represented by the value of the proposed RPT on a voluntary basis	20.53% on Unaudited Annual Turnover of Design Eight Private Limited for the FY 2023-24
16.	Any other information that may be relevant	Nil

Save and except Rajesh Manghnani and Sharmila Manghnani Directors of the Company, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the resolutions set out at Item No. VII for approval of the Members as Ordinary Resolution.

Notes:

- 1) The Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 ("the Act"), in respect of the special businesses mentioned in the Notice of this Annual General Meeting ("AGM") ("Notice") is annexed hereto.
- 2) Pursuant to General Circular No.11/2022 dated December 28, 2022 and General Circular No.09/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD2 /CIR /P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and SEBI/HO/CFD-PoD-2/P/CIR/2023/167 Dated 7th October, 2023 issued by the Securities and Exchange Board of India ("SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above and the relevant provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the AGM of the Company is being held through VC / OAVM.
- 3) Since the AGM is being held through VC/OAVM, the Route Map, Attendance Slip and proxy form are not attached to this Notice.
- 4) The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 6) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the Listing Regulations read with MCA Circulars, as amended, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 17th AGM and facility for those Members participating in the 17th AGM to cast vote through remote e-Voting system during the 17th AGM. For this purpose, Kfin will be providing facility for voting through remote e-Voting, for participation and remote e-Voting in the 17th AGM through VC/ OAVM facility and remote e-Voting during the 17th AGM. Members may note that Kfin may use third party service provider for providing participation of the Members through VC/ OAVM facility.
- 7) The Notice calling the AGM has been uploaded on the website of the Company at www.stanleylifestyles.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, NSE National Stock Exchange of India Limited (www.nseindia.com) and the AGM Notice is also available on the website of Kfin (agency for providing the Remote e-Voting facility) i.e. <https://evoting.kfintech.com>.
- 8) AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars.
- 9) In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
- 10) Pursuant to Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).
- 11) In all correspondence with the Company, Members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialized form, they must quote their client ID number and their DPID number.
- 12) The Company has designated an exclusive email address, investors@stanleylifestyles.com which enable the Members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.
- 13) SEBI has notified for compulsory trading of shares of the Company in dematerialization form so members, who have not dematerialized their shares are advised to contact Depository Participant in this regard.
- 14) In terms of circulars issued by Securities Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Registrar and Share Transfer Agent in case of Transfer of Shares, Deletion of name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all abovementioned transactions.
- 15) Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folio and send relevant share certificates to companies Registrar and Share Transfer Agent for their doing needful.

- 16) The Board of Directors in their meeting held on 2nd September 2024 has appointed Mr. Vinu Thomas (Membership No.F10306), Practicing Company Secretary, to act as the Scrutinizer for conducting the voting and E-voting process in a fair and transparent manner.
- 17) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e- voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forth with
- 18) The Result declared along with the report of the scrutinizer shall be placed on the website of the Company www.stanleylifestyles.com and on the website of RTA. The results shall simultaneously be communicated to the Stock Exchanges.
- 19) The voting rights of Members shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut of date i.e. 23rd September 2024.
- 20) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 23rd September 2024, may obtain the login ID and password by sending a request at Issuer/ RTA.
- 21) A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to attended the AGM.
- 22) A member may participate in the AGM even after exercising his right to vote through remote e- voting but shall not be allowed to vote again at the AGM.
- The Company has availed the services of KFin Technologies Limited ("KFin") for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM (Insta Poll).
- a) Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the 23rd September 2024 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on 27th September 2024 at 9:00 a.m. and ends on 29th September 2024 at 5:00 p.m. The remote e-voting module shall be disabled by Kfin for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.
- b) The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.
- c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Kfin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Kfin.
- d) In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

The procedure for remote e-voting is as under:

A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

- | | |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website http://www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all ESPs, so that the user can visit the ESPs' website directly. |
|--|---|

- 3) If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
- 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.

Individual Shareholders holding securities in Demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS" portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. 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 or joining virtual meeting and voting during the meeting.

NSDL Mobile App is available on



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. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 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 or joining virtual meeting and voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Shareholders 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.: 022-4886 7000 and 022-2499 7000.

B. Login method for e-voting and joining virtual meetings for shareholders holding shares in physical mode and non-individual shareholders holding shares in demat form:

- i. Shareholders should log on to the e-voting website: <https://evoting.kfintech.com>.
 - Enter the login credentials i.e., user id and password mentioned below:

For Members holding shares in Demat Form :-
 - a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - b) For CDSL: 16 digits beneficiary ID
 - For Members holding shares in Physical Form:
 - **Event no.** i.e. 7372, followed by Folio Number registered with the Company.
 - **Password:** If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using Kfin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Shareholders who have not registered their email addresses can follow the steps provided at serial no xiii below to obtain the User ID and password.
 - **Captcha:** Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
- ii. After entering the details appropriately, click on LOGIN.
- iii. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the Password change menu you will be 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. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.
- iv. On successful login, the system will prompt you to select the EVENT i.e., XXXXXXXX.
- v. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If

you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- vi. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
- vii. Cast your vote by selecting an appropriate option and 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.
- viii. During the voting period, shareholders can login any number of times till they have voted on the resolution.
- ix. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
- x. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date i.e., 23rd September 2024.
- xi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., 23rd September 2024, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

- a) Send SMS: MYEPWD <space>

E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL :
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890
- b) On the home page of <https://evoting.kfintech.com>, click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.kfintech.com> or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

PARTICULARS OF DIRECTORS AS REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	SHUBHA SUNIL
Director Identification Number (DIN)	01363687
Designation	Whole-time director
Date of Birth / Age (Years)	04/02/1975, 49 years
Qualification	Graduate
Brief Profile & experience in specific functional areas	Shubha Sunil is the Whole Time Director of our Company. She has cleared the Bachelor of Science Examination held by Bangalore University, Karnataka. She holds a certificate of completion of the INSEAD leadership programme for senior executives from INSEAD. She has been associated with our Company as a promoter and director since October 11, 2007. Prior to the incorporation of our Company, she was associated with Stanley Seating, which was engaged in the business of manufacturing car seat leather upholstery.
Terms and Conditions of Appointment / Re-appointment	<p>Shubha Sunil was one of the first directors of our Company. She was subsequently appointed as the Whole Time Director of our Company for a period of 5 years beginning from August 16, 2023, pursuant to a board resolution dated August 16, 2023 and the Shareholders resolution dated August 22, 2023.</p> <p>The details of the remuneration payable to Shubha Sunil with effect from August 16, 2023 pursuant to the board resolution dated August 16, 2023, the Shareholders' approval dated August 22, 2023 are provided below:</p> <ol style="list-style-type: none"> i. Gross Monthly salary: ₹ 1.73 million; ii. Expenses: The Company will reimburse all properly documented expenses reasonably related to the performance of her duties in accordance with its standard policy; iii. Holidays: She will be entitled to avail of holidays as per the policies of the Company in force from time to time; iv. Benefits: Her entitlement to the benefit schemes of the Company shall be in accordance with applicable law and as per the Company's policies in force from time to time; and v. Excluded above, she will be entitled to the following benefits: <ol style="list-style-type: none"> a. Provision of telephones, fax and internet access at her residence; b. Provision of house rent allowance as per the Company's policies from time to time; and c. Up to 2 vehicles including drivers, maintenance, fuel for discharging official duties.
Remuneration last drawn (including sitting fees, if any)	FY 2023-24: ₹ 19.26 million
Remuneration proposed to be paid	FY 2024-25: ₹ 7.98 million
	Sitting Fees: ₹ 75,000 per Board Meeting; ₹ 50,000 per Audit Committee Meeting
Listed entities in which the Director has resigned in past 3 years	Nil
Shareholding in the listed entity, including shareholding as a beneficial owner	33.68%
Date of first appointment on the Board	11/10/2007

Name of the Director	SHUBHA SUNIL
Shareholding in the Company	33.68%
Relationship between Directors inter se	Except for Sunil Suresh, Shubha Sunil who are spouses and Sonakshi Sunil, who is their daughter, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.
Number of Board meetings attended in FY 2023-24	11/11
List of Directorships held in other Companies including Listed Entities if any	i. Stanley Retail Limited ii. Stanley OEM Sofas Limited iii. SANA Lifestyles Limited iv. SCHEEK Home Interiors Limited v. SHRASTA Décor Private Limited vi. STARAS Seating Private Limited vii. ABS Seating Private Limited

PARTICULARS OF DIRECTORS AS REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	SONAKSHI SUNIL
Director Identification Number (DIN)	09387990
Designation	Non- Executive Director
Date of Birth / Age (Years)	28th August 1997 (27 years)
Qualification	Graduate
Brief Profile & experience in specific functional areas	Mrs. Sonakshi Sunil (DIN: 09387990) holds a dual-honors degree in Economics and Business Studies from Nottingham Trent University, UK. She has been a Director of Sana Lifestyles Limited, a step-down Subsidiary from 2019 and Stanley OEM Sofas Limited, Subsidiary from 2024.
Terms and Conditions of Appointment / Re-appointment	Mrs. Sonakshi Sunil has been a Director of SANA Lifestyles Limited, a step-down Subsidiary from 2019 and Stanley OEM Sofas Limited, Subsidiary from 2024. i. Holidays: She will be entitled to avail of holidays as per the policies of the Company in force from time to time; ii. Benefits: Her entitlement to the benefit schemes of the Company shall be in accordance with applicable law and as per the Company's policies in force from time to time; and iii. Excluded above, she will be entitled to the receive sitting fees of ₹ 75,000/- per Board Meeting and ₹ 50,000/- per Nomination and Remuneration Committee Meeting.
Remuneration last drawn (including sitting fees, if any)	Nil
Remuneration proposed to be paid	Nil
Listed entities in which the Director has resigned in past 3 years	Nil
Shareholding in the listed entity, including shareholding as a beneficial owner	Nil
Date of first appointment on the Board	14th August, 2024
Shareholding in the Company	Nil
Relationship between Directors inter se	Mrs. Sonakshi Sunil is the daughter of Mr. Sunil Suresh – Managing Director of the Company and Mrs. Shubha Sunil – Whole-time Director of the Company.
Number of Board meetings attended	Nil
List of Directorships held in other Companies including Listed Entities if any	SANA Lifestyles Limited Stanley OEM Sofas Limited

INFORMATION REQUIRED IN THE STATEMENT TO BE FILED WITH RECOGNISED STOCK EXCHANGE(S) AS PER REGULATION 10(B) OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Description of Schemes

Sl. No	Particulars	
1	Authorized Share Capital of the Company.	15,00,00,000
2	Issued Share Capital of the Company as on date of Institution of the scheme/ amendment of the scheme.	11,40,34,444
3	Date of institution of the scheme/ amendment of the scheme.	31st August, 2023
4	Validity period of the scheme.	This Plan shall continue to be in force until the earlier of the following two events: (i) its termination in accordance with Applicable Laws, or (ii) the date on which all of the Stock Options available for issuance under the Plan have been issued and exercised.
5	Date of notice of AGM/EGM for approving the scheme/for amending the scheme/for approving grants under regulation 6(3) of these regulations.	5th September 2024
6	Date of AGM/EGM approving the scheme/amending the scheme/approving grants under regulation 6(3) of these regulations.	30th September 2024
7	Kinds of benefit granted under the scheme.	As per the ESOP Scheme 2022
8	Identity of classes of persons eligible under the scheme: a. employees b. employees outside India c. employees of subsidiary d. employees of holding company e. directors, whether whole time directors or not, other than those excluded from the definition of "employee" under these regulations	a. employees - Yes b. employees outside India - NA c. employees of subsidiary - Yes d. employees of holding company - NA e. directors, whether whole time directors or not, other than those excluded from the definition of "employee" under these regulations - Yes
9	Total number of shares reserved under the scheme, as applicable.	19,30,506 Equity Shares
10	Number of shares entitled under the grant.	19,30,506 Equity Shares
11	Total number of grants to be made.	4,72,914 Options
12	Maximum number of shares, options, SARs or benefits to be granted per employee per grant and in aggregate.	The maximum number of Options that may be granted to each Eligible Employee shall vary depending upon the designation and the appraisal/assessment process and shall not exceed 2% of the aggregate number of the issued and paid-up share capital of the Company of per [Eligible Employee] However, the Board or the Nomination and Remuneration Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Eligible Employee in any tranche. Above mentioned is proposed to be amended in this AGM
13	Exercise price or pricing formula.	Exercise price shall be determined by the Nomination and Remuneration Committee and shall not be below the face value of the Equity Share of the Company.

Sl. No	Particulars	
14	Whether any amount is payable at the time of grant? If so, quantum of such amount.	No, payable only at the time of Exercise
15	Lock-in period under the scheme.	Shares issued upon exercise of Options shall be freely transferable subject to Applicable Laws and shall not be subject to any lock-in period restriction after such Exercise unless otherwise decided by the Nomination and Remuneration Committee.
16	Vesting period under the scheme.	The vesting period shall not be less than 1 (one) year from the date of Grant of Options; provided that in case of death or Permanent Incapacity, the minimum vesting period of 1 (one) year shall not apply.
17	Maximum period within which the grant shall be vested.	The maximum period shall be determined by the Nomination and Remuneration Committee.
18	Exercise period under the scheme.	The Vested Options with an Option Grantee while in employment with the Company or its Subsidiaries may be Exercised anytime within 1 (One) year from the Vesting Date, failing which the Vested Options shall automatically lapse unless otherwise decided by the Nomination and Remuneration Committee.
19	Whether employee can exercise all the options or SARs vested at one time? Yes/No	Yes
20	Whether employee can exercise vested options or SARs at various points of time within the exercise period? Yes/No	Yes
21	Whether scheme provides for the procedure for making a fair and reasonable adjustment to the number of options or SARs and to the exercise price in case of rights issues, bonus issues and other corporate actions? Clause in scheme describing such adjustment.	Yes
22	Description of the appraisal process for determining the eligibility of employees under the scheme.	The appraisal process for determining the eligibility of the employees will be based on combination of parameters such as individual performance, criticality of role, future potential, etc., more particularly the high potential talent who are critical for the business expansion and have a high potential for growth.
23	The specified time period within which vested options or SARs are to be exercised in the event of termination or resignation of an employee.	All the Vested Options as on date of resignation/ termination shall be Exercised by the Option Grantee within 90 (Ninety) days of the date of resignation / termination, failing which the Vested Options shall automatically lapse unless otherwise decided by the Nomination and Remuneration Committee.
24	The specified time period within which options or SARs to be exercised in the event of death of the employee.	All the Vested Options as on date of death can be Exercised by the Option Grantee's nominee or legal heir within 1 (One) year from the date of death, failing which the Vested Options shall automatically lapse unless otherwise decided by the Board or its Committee.
25	Whether the scheme provides for conditions under which options, SARs, or benefits vested in employees may lapse in case of termination of employment for misconduct? Clause in Scheme describing such adjustment.	In case of Termination of employment due to misconduct, all the Vested Options at the time of such termination shall stand cancelled immediately with effect from the date of such termination. All the Unvested Options at the time of such termination shall stand cancelled immediately with effect from the date of such termination.

Sl. No	Particulars	
26	Whether scheme provides for conditions for the grant, vesting and exercise of options, SARs or benefits in case of employees who are on long leave? Clause in scheme describing such adjustment.	Yes
27	Whether amount paid/payable by the employee at the time of the grant, vesting or exercise of the options, SARs or benefits will be forfeited if the employee does not exercise the same within the exercise period? Clause in scheme describing such adjustment.	Yes
28	Details of approval of shareholders pursuant to regulation 6(3) of these regulations with respect to: <ol style="list-style-type: none"> Grant to employees of subsidiary or holding or associate company. Grant to identified employees, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. 	NA
29	Details of the variation made to the scheme along with the rationale therefor and the details of the employees who are beneficiary of such variation:	The maximum numbers of options that may be granted to an eligible employee is proposed to be altered in the AGM from 2% option to 2% of the aggregate number of the issued and paid-up share capital of the Company of per eligible employee, to remove any ambiguity.

Sd/-
 Company Secretary
 Place: Bangalore
 Date: 06/09/2024

Directors' Report

Dear Members of STANLEY LIFESTYLES LIMITED,

Your directors take pleasure in presenting the 17th Annual Report of Stanley Lifestyles Limited ("The Company") together with the Audited Financial Statements for the financial year ended March 31, 2024.

1. Financial Highlights

The financial statements of the Company for the year ended March 31, 2024, have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III to the Act, as amended from time to time and applicable guidelines issued by SEBI.

(Rs. in million)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operation	2,313	2,282	4,325	4,190
Other income	196	155	113	66
Total Revenue	2,509	2,437	4,438	4,256
Expenses				
Raw Materials and components consumed	1,446	1,455	1,743	2,043
Purchase of stock-in-trade	0	11	360	108
Changes in inventories of finished goods and work-in-progress & Stock-in-trade	19	31	(110)	(108)
Employee benefits expense	257	212	572	495
Finance costs	61	57	191	147
Depreciation and amortization expenses	108	99	381	282
Other expenses	398	445	911	825
Total Expenses	2,289	2,310	4,048	3,792
Profit Before Tax	220	127	390	464
Tax Expenses:				
Current Tax	54	47	120	144
MAT Credit Entitlement	-	-	-	-
Deferred Tax Charge	6	(5)	(21)	(26)
Current Tax expense of earlier years	3	(3)	0	(4)
Tax Expenses	63	39	99	114
Share of (Loss) from Associate	-	-	-	-
Share of profit/loss attributable to Minority Interest	-	-	-	-
Profit after Tax	157	88	291	350
Profit for the year	157	88	291	350

2. State of affairs of the Company

During the year under review, your Company continued to grow with revenue of ₹ 2,509 million as against ₹ 2,437 million in the previous year- a growth of 2.87%. Profit for the year 2023-2024 was ₹ 157 million as against ₹ 88 million in the previous year- a growth of 44%.

As per the consolidated financial statements, the revenue and profit for the year 2023-2024 were ₹ 4,438 million and 291 million respectively as against ₹ 4,256 million and ₹ 350 million in the previous year - a growth of 4.10% in revenue and a decrease of 16.86% in profit.

The Company's product line is diverse to meet the needs of its customers. The Company's extensive product line comprises Fixed Furniture, Loose Furniture, Kitchen & Cabinetry Division and other Accessories such as shoes, bags, perfumes, etc. The Company has been continuously driving product innovation ensuring a steady supply of safe products to its consumers. The Company has a wide range of product baskets that span across every price point catering to requirements of premium to mass segment consumers. Your Company continues to retain and reinforce its market share under organised sector with a pan India distribution network comprising of distributors/dealers and retailers.

3. Share Capital

During the year, pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.

The Authorized Share Capital of the Company: ₹ 15,00,00,000/- (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) Equity Shares of ₹ 2/- (Rupees Two only)

The Issued, Subscribed and Paid up Capital of the Company:

The Issued, Subscribed and Paid-up Capital of the Company is ₹ 10,31,94,336 /- (Rupees Ten Crores Thirty-One Lakhs Ninety-Four Thousand Three Hundred and Thirty-Six only) divided into 5,15,97,168 (Five Crores Fifteen Lakhs Ninety-Seven Thousand One Hundred and Sixty-Eight) Equity Shares of ₹ 2/- (Rupees Two only) each as on 31st March, 2024.

The Company has become listed w.e.f. 28th June 2024, consequent to the Initial Public Offer (IPO). The Company is listed with the BSE Limited and National Stock Exchange Limited.

Accordingly, post listing, the Issued, Subscribed and Paid-up Capital of the Company is ₹ 11,40,34,444/- (Rupees Eleven Crores Forty Lakhs Thirty-Four Thousand Four Hundred and Forty-Four only) divided into 5,70,17,222 (Five Crores Seventy Lakhs Seventeen Thousand Two Hundred and Twenty-Two) Equity Shares of ₹ 2/- (Rupees Two only) each.

4. Listing of Shares

The equity shares of the Company were listed on National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) on 28th June 2024. The listing fees for the financial years 2024-25 are paid to both the Stock Exchanges.

5. Dividend Distribution Policy

The Dividend Distribution Policy of the Company sets out the parameters and circumstances that the Board considers in determining the distribution of dividend in terms of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations, 2015").

6. Dividend

The Board of Directors of your Company has not recommended any dividend for the financial year under review.

Pursuant to Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy, setting out the parameters for the declaration and distribution of dividend. The Policy is available on the website of the Company at: www.stanleystyles.com

7. Transfer to Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed Dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years. Further, according to the Rules, the Shares on which Dividend has not been paid or claimed by the Shareholders for seven consecutive years or more shall also be transferred to the DEMAT account of the IEPF Authority. During the year under review, there was no unpaid or unclaimed amount required to be transferred to IEPF account.

8. Credit Rating

During the year under review, Investment Information and Credit Rating Agency (ICRA), vide their report dated October 17, 2023, have assigned your Company, Long-Term: Fund based facilities. Rating of A (Stable), Short Term: Non-Fund based Rating of A1 and Long-term/Short-term: Unallocated-Rating of A1 respectively.

9. Amount transferred to Reserves.

The Board does not propose to transfer any amount to Reserve.

10. Consolidated Financial Statements

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries, as prepared in compliance with the Companies Act, 2013 ("the Act"), Listing Regulations, 2015 and in accordance with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 along with all relevant documents and the Independent Auditors' Report thereon forms part of this Annual Report.

Pursuant to the provisions of section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's subsidiaries for the financial year ended on 31 March 2024 in Form AOC-1 forms part of this Annual Report and marked as ANNEXURE-B, in this report.

11. Employee Stock Option Plan (ESOP)

The Company in its Board Meeting and Extra-Ordinary General Meeting held on 31st August, 2023 amended the

EMPLOYEES STOCK OPTION PLAN 2022, details of which are mentioned below:

- a) Increased the ESOP pool of Stanley Lifestyles Employee Stock Option Plan 2022' (ESOP Plan 2022) by 8,77,503 options from existing 10,53,003 options to 19,30,506 options.
- (a) Total number of stock options granted during FY 2022-2023: **Bucket A - 36,662 and Bucket B - 4,803**
- (b) Total number of stock options Vested: **NIL**
- (c) Total number of stock options Exercised: **NIL**
- (d) Total number of shares arising as a result of exercise of option: **NIL**
- (e) Total number of stock Options Lapsed: **As on 31st March 2024, it is NIL**
- (f) Exercise Price: **Bucket A- H 850/- Per Option and Bucket B - H 10/- Per Option**
- (g) Variation of terms of options: **Variation in prices for different Buckets as mentioned in the above point.**
- (h) Money realized by exercise of options: **NA**
- (i) Total number of options in force as on 31st March 2024: **1,50,429 Options**
- (j) Employee wise details of options granted to:
- Directors: **Nil**
 - Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year: **Nil**
 - Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: **Nil**
- b) Share Registrar & Transfer Agent: **KFin Technologies Limited is the Registrar and Transfer Agent of the Company.**

Further, following corporate actions have been undertaken in the Company during the Financial Year:

- The Company has subdivided 75,00,000 (Seventy-Five Lakhs) Equity Shares in the Authorized Share Capital of the Company having a face value of ₹ 10/- (Rupees Ten only) each into 3,75,00,000 (Three Crores and Seventy-Five Lakhs) Equity Shares having a face value of ₹ 2/- (Rupees Two only) each with the approval

of the Shareholders at the Extra Ordinary General Meeting held on June 19, 2023.

- The Company has increased the Authorized Share Capital from the existing ₹ 7,50,00,000 (Rupees Seven Crores and Fifty Lakhs Only) divided into 3,75,00,000 (Three Crores and Seventy-Five Lakhs) Equity Shares having a face value of ₹ 2/- (Rupees Two Only) each to ₹ 15,00,00,000/- (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) Equity Shares of ₹ 2/- (Rupees Two Only) each with the approval of the Shareholders at the Extra Ordinary General Meeting held on June 19, 2023.
- The Company has issued and allotted 1,47,42,048 (One Crore Forty-Seven Lakhs Forty-Two Thousand and Forty-Eight only) fully paid-up bonus Equity Shares of ₹ 2/- (Rupees Two Only) each of the Company in Shares in the proportion of 2 new Equity Shares of ₹ 2/- (Rupees Two Only) each for every 5 existing fully paid-up Equity Shares of ₹ 2/- (Rupees Two Only) each, by capitalizing an amount of ₹ 2,94,84,096/- standing to the credit of the free reserve account at the Board Meeting held on June 16, 2023 based on the approval of the Shareholders at the Extra Ordinary General Meeting held on June 19, 2023.

The Capital Structure of the Company after the above-mentioned Corporate Actions is as follows:

The Authorized Share Capital of the Company:

₹ 15,00,00,000/- (Rupees Fifteen Crores) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) Equity Shares of ₹ 2/- (Rupees Two only).

The Issued, Subscribed and Paid up Capital of the Company:

The Issued, Subscribed and Paid up Capital of the Company is ₹ 10,31,94,336/- (Rupees Ten Crores Thirty-One Lakhs Ninety-Four Thousand Three Hundred and Thirty-Six only) divided into 5,15,97,168 (Five Crores Fifteen Lakhs Ninety-Seven Thousand One Hundred and Sixty-Eight) Equity Shares of ₹ 2/- (Rupees Two only) each.

12. Share Registrar & Transfer Agent

KFin Technologies Limited is the Registrar and Transfer Agent of the Company.

13. Annual Return

Pursuant to Section 134 and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company.

The web-link is: www.stanleylifestyles.com

14. Particulars of Loans, Guarantees or Investments

During the year under review, your Company has not given any loan or guarantee in terms of the provisions of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The details of investments made in terms of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are detailed in the financial statements.

15. Change in Nature of Business If any

There was no change in the nature of business of the Company during the financial year 2023-24.

16. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There have been no material changes or commitments affecting the financial position of the company between the end of the financial year, to which the financial statements relate, and the date of this Report, other than the company's listing on BSE and NSE. The company believes that by post-listing, it will experience better growth.

17. Revision of financial statement or the Report

The Company has not revised its Financial Statement or Board's Report during the financial year.

18. Directors and Key Managerial Personnel

I. Composition of the Board of Directors

As on March 31, 2024, the Board of your Company comprised of 6 Directors with two Executive Director, four Non-Executive Directors which includes three Independent Directors. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the Listing Regulations and Section 149 of the Act.

Details of the Directors are as follows:

Category	Name of Director
Executive Director	Mr. Sunil Suresh
	Mrs. Shubha Sunil
Non-Executive Independent Directors	Mr. Girish Shrikrishna Nadkarni
	Mr. Ramanujam Venkat Raghavan
	Mrs. Anusha Shetty
	Mr. Vishal Verma
Non-Executive Nominee Directors	

Change in Composition of the Board of Directors

During the year under review, there were no changes on the Board of Directors ('Board') except as mentioned below;

i. CHANGES IN INDEPENDENT DIRECTORS

- Mr. Ramanujam Venkat Raghavan (DIN: 06886628) was appointed as Independent Director by the shareholders on 22nd August 2023 for a period of 5 consecutive years commencing from 22nd August 2023 to 21st August 2028.
- Mrs. Anusha Shetty (DIN: 01666992) was appointed as Independent Director by the shareholders on 22nd August 2023 for a period of 5 consecutive years commencing from 22nd August 2023 to 21st August 2028.
- Mr. Sagarvasudev Venkatesh Kamath (DIN: 00671099), resigned as an Independent Director with effect from 22nd August 2023.

ii. CHANGES IN NON-INDEPENDENT DIRECTORS

- Mr. Srinath Srinivasan (DIN:00107184), Nominee Director, resigned with effect from 31st August 2023.
- Mr. Sunil Suresh was re-appointed by the Shareholders on 22.08.2023 as Managing Director of the Company for a period of Five (5) years with effect from 16th August 2023 to 15th August 2028.
- Mrs. Shubha Sunil was appointed by the Shareholders on 22.08.2023 as a Whole-time Director of the Company for a period of Five (5) years with effect from 16th August 2023 to 15th August 2028.

iii. **Directors retiring by rotation:** Mrs. Shubha Sunil, Whole-time director retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her reappointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

iv. **Re-appointment of Independent Directors:** NIL

v. **Approval of the Members will be sought at the forthcoming Annual General Meeting to the following appointments:** Mrs. Sonakshi Sunil (DIN: 09387990), as Non-Executive Director.

vi. **Cessations:** Mr. Srinath Srinivasan (DIN:00107184), Nominee Director, resigned with effect from 31st August 2023.

II. Key Managerial Persons

The Key Managerial Persons of the Company in accordance with Regulation 2(1)(bb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations and Section 2(51) of the Companies Act, 2013 are as follows:

Name	Designation
Mr. Sunil Suresh	Managing Director
Mrs. Shubha Sunil	Whole-Time Director
Mr. Pradeep Kumar Mishra	Chief Financial Officer

Mr. Akash Shetty
Company Secretary
and Compliance Officer

III. Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of Listing Regulations, the Company is required to have at least one-woman director on the Board.

The Company has two women directors on the Board, namely, Mrs. Shubha Sunil (DIN: 01363687) as Whole-Time Director and Mrs. Anusha Shetty (DIN: 01666992) as Independent Director.

IV. Declaration by Independent Directors and statement on compliance with the code of conduct

The Company has received necessary declarations with respect to independence from all the independent directors in compliance of Section 149 (7) of the Companies Act, 2013.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 and the Code of Conduct for Directors and senior management personnel formulated by the Company.

V. Nomination & Remuneration Policy

The Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy which sets out the criteria for determining qualifications, positive attributes and independence of Directors. It also lays down criteria for determining qualifications, positive attributes of KMPs and senior management and other matters provided under Section 178(3) of the Act and Listing Regulations.

The Nomination and Remuneration Policy of the Company as approved and adopted by the Board is available on the website of the Company at: www.stanleylifestyles.com

19. Board Meeting

During the Financial Year 2023-24, our Board has met 11 (Eleven) times and the meetings were held on:

Sl. No.	Date of Board Meeting	Number of Directors entitled to attend the Meeting	Number of Directors attended the Meeting
1.	06.04.2023	6	5
2.	12.05.2023	6	6
3.	16.06.2023	6	6
4.	23.06.2023	6	6
5.	16.08.2023	6	6
6.	22.08.2023	6	5
7.	31.08.2023	6	6
8.	04.09.2023	6	6
9.	22.12.2023	6	6
10.	27.01.2024	6	6
11.	04.03.2024	6	5

The requisite quorum was present for all the Meetings. The intervening gap between the Meetings was within the period prescribed under the Act and Listing Regulations.

The Company provides all the Board Members with the facility to participate in the meetings of the Board and its committee through Video Conferencing or Other Audio-Visual Means. The details of the meetings have been enclosed in the Corporate Governance Report, which forms part of this report.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 29, 2024, and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations. The Independent Directors attended the said meeting.

20. Committees of Board

The Company has various Committees which have been constituted as part of good corporate governance practices and the same follow the requirements of the relevant provisions of applicable laws and statutes.

The Committees of the Board are the Audit committee, the Nomination and Remuneration committee, the Corporate Social Responsibility committee and the Stakeholder's Relationship committee.

The details with respect to the composition, powers, roles, terms of reference, Meetings held, and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

21. Recommendations of the Audit Committee

There was no instance during the year where the Board has not accepted the recommendations of the Audit

Committee requiring disclosure pursuant to Section 177(8) of the Companies Act, 2013.

22. Company's policy on Directors' appointment and remuneration

The Policy of the Company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and such other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company's website.

The Company affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company which is available on the website of the Company at: www.stanleylifestyles.com

23. Annual Evaluation of Board, Committees, and Individual Directors

The Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out annually through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

24. Code of Conduct for Board and Senior Management

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted a Code of Conduct for Directors and Senior Management "the Code" which provides guidance on ethical conduct of business and compliance with laws and Regulations.

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as of March 31, 2024. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations, is given in the Report of Corporate Governance forming part of this Annual Report. The Code is made available on the Company's website at www.stanleylifestyles.com.

25. Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive information

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code), for the fair disclosure of events and occurrences that could impact the price discovery in the market for the Company's securities. The Fair Disclosure Code also provides for

maintaining transparency and fairness in dealings with all stakeholders and ensuring adherence to applicable laws and regulations. The same is available on the website of the Company at www.stanleylifestyles.com

26. Prevention of Insider Trading

The Board of Directors of the Company has formulated and adopted a Code of Conduct to regulate, monitor and report the trading of shares by insiders. This code lays down the guidelines and procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them of the consequences of non-compliance. The same is available on the website of the Company at: www.stanleylifestyles.com

27. Subsidiary Company, Joint Ventures and Associate Companies

There were no joint ventures and associate companies during the reporting period. The details of Subsidiary Companies of the Company as on March 31, 2024 are as follows:

Sl. No.	Name of the Company	% of Shareholding
1.	Stanley Retail Limited	100.00
2.	Stanley OEM Sofas Limited	100.00
3.	ABS Seating Private Limited	67.00
4.	Sana Lifestyles Limited (Stanley Retail Limited – Holding Company)	100.00
5.	Shrasta Décor Private Limited (Stanley Retail Limited – Holding Company)	55.95
6.	Staras Seating Private Limited (Stanley Retail Limited – Holding Company)	100.00
7.	Scheek Home interiors Limited (Stanley Retail Limited – Holding Company)	100.00

28. Deposit

During the financial year, your Company has not accepted any deposits from the public within the meaning of provisions of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Therefore, the disclosures required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014 and Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

29. Remuneration Details of Directors, KMPs and Employees

Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- A. Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs.1,02,00,000/- for 12 Months:

Sl. No.	Name	Designation	Age (in Years)	Experience (in Years)	Date of commencement of employment	Remuneration Received (Rs. in Millions)
1.	Mr. Sunil Suresh	Managing Director	58	16	11-10-2007	19
2.	Mrs. Shubha Sunil	Whole – Time Director	49	16	11-10-2007	21

- B. Employees who were employed for part of the year and were in receipt of remuneration in aggregate of not less than Rs.8,50,000/- per month. – NIL

There are no employees posted and working in a country outside India, not being Directors or relatives, drawing more than Rs.60,00,000/- (Rupees Sixty Lakhs only) per financial year or Rs.5,00,000/- (Rupees Five Lakh only) per month as the case may be. Pursuant to the provisions of section 197 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are annexed to this Report. This Report and financial statements are being sent to Members excluding the said information. Any Member interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

Further, the disclosures on managerial remuneration as required under Rule 5(1) of the said rules were not applicable to the Company during the year under review and the said details would be furnished from financial year 2024-25 onwards.

30. Criteria for making payments to Non-Executive Directors

Apart from the sitting fee paid to the Independent Directors, expenses incurred by the Company on behalf of the Directors for their travel and accommodation and reimbursement of expenses incurred by the Directors during and for the purpose of attending Board and Committee meetings, the Company has made no other payment to its Non-Executive Directors.

31. Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act 2013, the Directors would like to state that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state

of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for that period;

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- 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; and
- The Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. Adequacy of Internal Audit and Financial Controls

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the financial statements and financial reporting and also the functioning of other operations. These controls and processes are driven through various policies and procedures.

During the year, the review of Internal Financial Controls was done, and the report was placed before the Audit Committee. As per the report the Controls are effective and there are no major concerns. The internal financial controls are adequate and operating effectively to ensure orderly and efficient conduct of business operations.

33. Statutory Auditors

The Members of the Company at the Annual General Meeting held on September 23, 2019 have appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration Number 117366W/W-100018), as Statutory Auditors of the Company in accordance with the provisions of the Companies Act, 2013.

Statutory Auditors of the Company who shall hold office until the conclusion of 17th Annual General Meeting. The Board recommends the appointment of the existing auditors for a second terms of 5 years, i.e. till the conclusion of 22nd AGM of the Company.

The auditors have submitted their Report on the accounts of the Company for the Financial Year ended March 31, 2024 to the Board of Directors. The Board has duly examined the Statutory Auditors' Report which is self-explanatory. The Report does not contain any qualifications, reservations or adverse remarks.

34. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was not required to conduct secretarial audit.

For the year 2024-25, The Board of Directors has appointed M/s. HVS & Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2024-25.

35. Internal Auditor

Raghavan, Chaudhuri & Narayanan, Chartered Accountants are the internal auditors of the Company.

36. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditor / Secretarial Auditor in their Reports, if any

The Statutory Auditors have given their report 'with an unmodified opinion', on the Financial Statements of the Company for Financial Year 2023-24.

There has been no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor in their Report for the year under review.

37. Compliance with Secretarial Standards

During the Financial year, the Company has complied with the provisions of applicable Secretarial Standards viz. Secretarial Standard on meetings of The Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

38. Corporate Social Responsibility

In compliance with Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established the Corporate Social Responsibility Committee

(CSR Committee) in the year 2015 and the composition and function thereof are mentioned in the Corporate Governance Report.

The Board has adopted the CSR Policy, formulated and recommended by the CSR Committee, and the same is available on the website of the Company at: www.stanleystyles.com

The CSR Committee has been duly constituted by the Company.

Constitution of CSR Committee as on 31 March, 2024 is as follows:

- I) Mr. Ramanujam Venkat Raghavan (Independent Director) - Chairman
- II) Ms. Anusha Shetty (Independent Director). Member
- III) Mr. Vishal Verma (Nominee Director)- Member
- IV) Mrs. Shubha Sunil (Executive Director)- Member

The CSR Policy of the Company as required under Section 135 of the Companies Act, 2013 was approved by the CSR Committee at its meeting held on 5th October, 2015. The Annual Report on CSR Activities of the Company is furnished as ANNEXURE-E.

39. Business Responsibility and Sustainability Report

As per Regulation 34(2)(f) of the Listing Regulations the Business Responsibility and Sustainability Report (BRSR), covering disclosures on the Company's performance on Environment, Social and Governance, the report is not applicable to the Company for the period ended 31st March, 2024.

40. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of the Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

41. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.

The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the Listing Regulations forms part of this Report.

Further, as required under Regulation 17(8) of the Listing Regulations, a certificate from the Chief Executive Officer and Chief Financial Officer is annexed with the Annual Report.

A certificate from HVS & Associates, Practicing Company Secretary, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance

42. Related Party Transaction

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

During the year under review, your Company had not entered into any contract/arrangement/transaction with Related Parties which could be considered material in accordance with the Policy on Related Party Transactions. Further there were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMP or other persons which may have potential conflicts with the interests of the Company.

The particular of contracts or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure C which forms part of this report. Details of Related Party Transactions as required under Indian Accounting Standard (Ind AS-24) are reported in Note no. 37 forming part of the Financial Statements.

Disclosure on Related Party Transactions, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable accounting standards, are made in the financial statements. Also, the Company has adopted the policy on Materiality and Dealing with Related Party Transaction which is available on the website of the Company at: www.stanleylifestyles.com

Disclosure on Related Party Transactions, in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable accounting standards, are made in the financial statements.

43. Details of Frauds reported by Auditors

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors of the Company, have not reported any instances of frauds committed in the Company by its officers or employees.

44. Risk Management

The Risk Management Committee was established by a Board resolution on August 31, 2023, in accordance with SEBI Listing Regulations. Its terms of reference include:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial,

operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

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

Pursuant to provisions of Section 134(3)(m) & Rule 8(3)(A) of Companies (Accounts) Rules, 2014 the details of energy conservation, technology absorption and foreign exchange earnings and outgo have been furnished in Annexure-A to this report.

46. Vigil Mechanism

The company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013. All Directors, employees and stakeholders can raise their concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, customers, dealers, vendors, suppliers, or any stakeholders associated with the

Company are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Corporate Governance Policies or any improper activity, to the Chairman of the Audit Committee or to the Company Secretary and Compliance Officer or the Human Resource Department at whistleblower@stanleylifestyles.com. The policy provides for adequate safeguard against victimization.

Any incidents reported are investigated and suitable actions are taken in line with the whistle blower policy.

The Whistle Blower Policy is also available on your Company's website at: www.stanleylifestyles.com

47. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future

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

48. Corporate Insolvency Resolution Process initiated under The Insolvency and Bankruptcy Code, 2016 (IBC)

There were no applications filed for corporate insolvency resolution process, by any financial or operational creditor of the Company or by the company itself, under the IBC before the NCLT.

49. Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company is an equal opportunity employer and is committed to ensuring that the work environment at all

its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted the Prevention of Sexual Harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed of during the period under review:

- (a) Number of complaints pending at the beginning of the year: Nil
- (b) Number of complaints received during the year: Nil
- (c) Number of complaints disposed off during the year: Nil
- (d) Number of cases pending at the end of the year: Nil

50. Acknowledgment

The Board takes this opportunity to express sincere thanks to our valued customers for their continued patronage and the investors for reposing confidence in the Company.

The Directors express their deep sense of appreciation to all the vendors, employees, franchisees, distributors, Government, Quasi Government authorities and other acquaintances who continue to extend relentless support and cooperation with commitment, enabling your Company to scale to newer heights.

For and on behalf of the Board of Directors

SUNIL SURESH
Managing Director
DIN: 01421517

SHUBHA SUNIL
Whole-time director
DIN: 01363687

PLACE: Bengaluru
DATE: 02/09/2024

ANNEXURE A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(Pursuant to provision of Section 134 (3) (m) read with Rule 8 of Companies (Accounts) Rules, 2014)

(All amounts in Millions, except as otherwise stated)

(A) Conservation of energy

Steps taken/Impact on conservation of energy, with special reference to the following:

i. Steps taken by the company for utilizing alternate sources of energy including waste generated	NIL
ii. Capital investment on energy conservation equipment	NIL

(All amounts in Millions, except as otherwise stated)

(B) Technology Absorption

i. Efforts, in brief, made towards technology absorption	NIL
ii. Benefits derived as a result of the above efforts, e.g., product Improvement, cost reduction, product development, import substitution, etc.	NIL
iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:	NIL
a. Details of technology imported.	
b. 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 therefore.	
iv. Expenditure incurred on Research and Development	NIL

(All amounts in Millions, except as otherwise stated)

(C) Foreign exchange earnings and Outgo

	Amt in Rs.
Total Foreign Exchange Earned	0
Total Foreign Exchange Outgo	0

For and on behalf of the Board of Directors

PLACE: Bengaluru
DATE: 02/09/2024**SUNIL SURESH**
Managing Director
DIN: 01421517**SHUBHA SUNIL**
Whole-time director
DIN: 01363687

ANNEXURE-B

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part A: Subsidiaries

Sl. No	1	2	3	4	5	6	7
Name of the Subsidiary Company	Stanley Retail Limited (subsidiary)	Stanley OEM Sofas Limited (Subsidiary)	ABS Seating Private Limited (Subsidiary)	Sana Lifestyles Limited (Step-down subsidiary)	Staras Seating Private Limited (Step-down subsidiary)	Shrasta Décor Private Limited (Step-down subsidiary)	Scheek Home Interiors Limited (Step-down subsidiary)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	INR
Share Capital	4,91,60,000	3,76,00,000	29,60,000	10,00,000	1,01,00,000	9,89,00,000	5,00,000
Reserves & Surplus	518.23	62.88	125.98	34.86	126.13	80.63	0
Total Assets	1793.56	208.10	397.37	144.11	320.35	724.42	0.26
Total Liabilities	1793.56	208.10	397.37	144.11	320.35	724.42	0.26
Investments (excluding Investments made in subsidiaries)	0	0	0	0	0	0	0
Turnover	2,186.92	710.37	224.64	70.23	349.97	532.70	0
Profit/(Loss) before tax	91.62	43.47	(1.33)	4.97	43.11	(29.96)	(0.01)
Provision for tax	24.45	10.55	0.37	1.20	9.58	(8.35)	0
Profit/(Loss) after tax	67.17	32.92	(1.70)	3.77	33.53	(21.61)	(0.01)
Proposed Dividend@	0	0	0	0	0	0	0
% of shareholding	100%	100%	67%	100%	100%	55.95%	100%

a. Names of subsidiaries which are yet to commence operations. : NIL

b. Names of subsidiaries which have been liquidated or sold during the year. : NIL

PART B -Associates and Joint Ventures

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

Name of Associates/Joint Ventures	- NIL
Latest audited Balance Sheet Date	- NIL
Shares of Associate/Joint Ventures held by the company on the year end	- NIL
Description of how there is significant influence	- NIL
Reason why the associate/joint venture is not consolidated	- NIL
Networth attributable to Shareholding as per latest audited Balance Sheet	- NIL
Profit / Loss for the year	- NIL

ANNEXURE- C

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms- length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. NO	PARTICULARS	DETAILS
1.	Name (s) of the related party & nature of the relationship	NIL
2.	Nature of contracts/arrangements/transaction	NIL
3.	Duration of the contracts/ arrangements/ transaction	NIL
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5.	Justification for entering into such contracts or arrangements or transactions'	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

- 2) Details of material contracts or arrangement or transactions at arm's length basis.

SI. No.	PARTICULARS	Details	DETAILS
A	Name (s) of the related party nature of relationship	Stanley Retail Limited	Sunil Suresh
B	Nature of relationship	Subsidiary	Key Managerial Personal
C	Nature of contracts/ arrangements/transaction	Sales and Purchase	Contract for purchase of trademark
D	Duration of the contracts/ arrangements/transaction	Ongoing, being WOS	One time transaction
E	Salient terms of the contracts or arrangements or transaction including the value, if any	Arm's length transactions and ordinary course of business	Arm's length transaction
F	Date of approval by the Audit Committee / Board	21st August 2023	22nd August 2023
G	Amount paid as advances, if any	Nil	

For and on behalf of the Board of Directors

PLACE: Bengaluru
DATE: 02/09/2024

SUNIL SURESH
Managing Director
DIN: 01421517

SHUBHA SUNIL
Whole-time director
DIN: 01363687

ANNEXURE- D

DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

AS ON MARCH 31, 2024

Significant changes/ modifications in the ESOP 2022 Plan during FY 2023-24

The Company established the Employee Stock Option Plan 2022 (“ESOP 2022”) was approved by Shareholders of the Company in the Extra Ordinary General Meeting held on 31st August, 2023 to comply with the requirements of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Further, the following details, inter-alia, shall be disclosed on the company’s website www.stanleylifestyles.com.

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the ‘Guidance note on accounting for employee share-based payments’ issued in that regards from time to time. Refer Note No 51 of Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Accounting Standard 20 - Earnings Per Share’ issued by Central Government or any other relevant accounting standards as issued from time to time.

Refer Note no 43 of Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

C. Details related to ESOP

- (i) A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including –

Sl. No	PARTICULARS	ESOP (year)
1	Date of shareholders’ approval	31st August, 2023
2	Total number of options approved under ESOP	19,30,506
3	Vesting requirements	The vesting period of Options granted shall vest in not earlier than 1 (One) year from the date of grant of such Options.
4	Exercise price or pricing formula	The exercise price per Option shall be determined by the Committee which in any case shall not be less than the face value of the share of the Company as on date of grant on the basis.
5	Maximum term of options granted	The maximum number of Options that may be granted to each Eligible Employee shall vary depending upon the designation and the appraisal/assessment process and shall not exceed 2% of the aggregate number of the issued and paid-up share capital of the Company of per [Eligible Employee] The above is a proposed amendment in this AGM.
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	The Board or the Compensation Committee may, if it deems necessary, vary/ modify/ alter/ add/ amend the terms of the Plan, subject to the Applicable Laws shareholders’ approval, in such manner which is not detrimental to the interest of Employee. The maximum numbers of options that may be granted to an eligible employee is proposed to be altered in the AGM from 2% option to 2% of the aggregate number of the issued and paid-up share capital of the Company of per eligible employee, to remove any ambiguity.

- (ii) Method used to account for ESOP - Intrinsic or fair value.

Refer Note No. 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Not Applicable

- (iv) Option movement during the year under ESOP 2022 Plan:

PARTICULARS	Details
Number of options outstanding at the beginning of the period	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
Number of options granted during the year	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
Number of options forfeited / lapsed during the year	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
Number of options vested during the year	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	NA
Money realized by exercise of options (INR), if scheme is implemented directly by the company	NA
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.
Number of options exercisable at the end of the year	Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

- (a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Details as of 31st March 2024			
Name of employee	Designation	Total no. of options granted	Exercise Price (Rs.)
Sijo Martin Joy	Chief Operating Officer	24,017	121/-
Sharath Kumar Shetty	Executive Vice President	23,793	121/-

For more details refer note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

Details as of 31st March 2024

Name of employee	Designation	Total no. of options granted	Exercise Price (Rs.)
Yusuf Abdhullah Merchant	Manager	24,080	121/-
Rohit K.	Country Head- Franchise and Distribution	19,299	121/-
Nallam Reddy Sanjay Kumar	Manager	15,190	121/-
Atul Kumar Minda	Group Finance Controller	19,185	156/-
T. Hanumeshha	Deputy General Manager	9,748	156/-

For more details refer note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: NIL
- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

- (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;

Refer Note 51 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. In the instant case, the Volatility of the Company is calculated using the historical stock volatility of its comparable companies.

- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

The Company has applied Black Scholes Model to stimulate equity value of the Company for options granted

Disclosures in respect of grants made in three years prior to IPO under each ESOS

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.

There were no options granted in three years prior to IPO, so no details are being furnished here.

D. Details related to ESPS

Not Applicable

E. Details related to SAR

Not Applicable

F. Details related to GEBS / RBS

Not applicable

G. Details related to Trust

Not Applicable

ANNEXURE-E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For achieving the CSR objectives through the implementation of meaningful and sustainable CSR programs, Stanley Lifestyles Limited (the Company) will annually contribute up to two percent of the average profits for the last three financial years towards CSR activities.

1. A brief outline of the Company's CSR policy

The CSR Policy has been framed in consonance to Section 135 of the Companies Act 2013 on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India in 2014. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

2. The Composition of the CSR Committee

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	Ramanujam Venkat Raghavan	Director	1	1
2	Anusha Shetty	Director	1	1
3	Vishal Verma	Nominee Director	1	1
4	Shubha Sunil	Whole-time director	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company: www.stanleylifestyles.com
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable
5. (a) Average net profit of the company as per sub-section (5) of section 135

Sl. No.	Financial Years	Net Profit as per section 198 (₹ in million)
1	Ending 31st March, 2021	66.01
2	Ending 31st March, 2022	157.48
3	Ending 31st March, 2023	180.10
	Average Net Profit	135.00

- (b) Two percent of average net profit of the company as per section 135(5): ₹ 2.69
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 2.69
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Transferred ₹ 32,20,000/- to PM Cares Fund.
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on impact Assessment, if applicable: NA
- (d) Total amount spent for the Financial Year [6a+6b+6c]: Transferred ₹ 32,20,000/- to PM Cares Fund.
- (e) CSR amount spent or unspent for the Financial Year: Transferred ₹ 32,20,000/- to PM Cares Fund.

Total Amount Spent for the Financial Year (J)	Amount Unspent				
	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 to sub-section (5) of section 135.		
	Amount.	Date of Transfer.	Name of the Fund.	Amount.	Date of Transfer.
NIL	NIL	NIL	PM Cares Fund	₹ 32,20,000	₹ 32,20,000

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

Sl. No.	Financial Years	Amount (₹ in million)
1	Two percent of average net profit of the company as per Section 135(5)	2.69
2	Total amount spent for the Financial Year	3.22
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (₹ in million)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (₹ in million)	Amount Spent in the Financial Year (₹ in million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
					1	2		
1	2022-23	NIL	NIL	0.55	NA	NA	NA	NA
2	2021-22	1.89	NIL	1.89	NA	NA	NA	NA
3	2020-21	NIL	NIL	24.92	NA	NA	NA	NA

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

If yes, enter the number of Capital assets created/ acquired

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

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

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **NA**

For and on behalf of the Board of Directors

SUNIL SURESH
Managing Director
DIN: 01421517

SHUBHA SUNIL
Whole-time director
DIN: 01363687

PLACE: Bengaluru
DATE: 02/09/2024

Management Discussion and Analysis

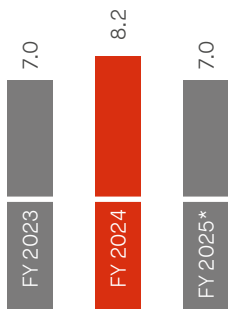
Economy

Indian economy

The Indian economy witnessed consistent growth with GDP growing by 8.2% in FY 2024, compared to 7.0% in FY 2023.¹ Along with this, the domestic inflation level was 5.4%, enabling an increased level of private consumption. The growth in the economy was significantly supported by the timely interventions made by the Reserve Bank of India and favourable policies implemented by the Indian Government. Along with this, the presidency at the G20 summit played a crucial role in attracting global investors, resulting in an impressive Foreign Direct Investment (FDI) of USD 71.0 billion² in FY 2024. Major growth was experienced in various economic sectors; however, the manufacturing sector grew significantly by 9.9%³ owing to policies such as 'Make in India' and the China+1 strategy.

The Indian economy is anticipated to grow by 7.0% in FY 2025, surpassing Germany and Japan to become the third largest economy. This growth will be cushioned by relevant policies and programmes drafted by the Indian Government and its aim to transform India into a manufacturing hub. To support this aim, the Interim Budget 2024-25 introduced targeted initiatives, including reduced corporate tax for new manufacturing companies as an incentive to their growth. Moreover, as an after-effect of the general elections in FY 2025, crucial policy changes may be introduced that could shape the economy's future growth.

GDP growth trend in India (in%)



*Projected

Industry

Luxury furniture industry

The Indian furniture industry experienced growth in FY 2024, owing to an expanding middle-class group, increased disposable income and a preference for stylish, space-efficient furniture. Bolstered by the rise in disposable incomes, the luxury furniture segment emerged as the fastest-growing industry in the country. Over time, the domestic luxury furniture market became India's most vibrant industry with the support of a growing population and increased preferences for customisable furniture.

The domestic luxury furniture industry is highly competitive and caters not only to residential demand but also to the needs of the hospitality industry and business centres, promoting an opulent ambiance. In the reported year, the domestic industry experienced a significant revolution by offering products with exquisite designs and using superior materials. Major metropolitan cities including Mumbai, Delhi and Bangalore made significant contributions to increased demand for luxury furniture in the year under review.

In the forthcoming years, the Indian furniture market is projected to achieve a CAGR of 10.9% during 2023-28, reaching USD 32.7 billion by 2026⁴. This growth is expected to be fuelled by increasing demand from the development of sports facilities, cafes and household furniture. Also, the industry's rising contribution to total exports, cushioned by rapid urbanisation and evolving consumer preferences can further benefit the domestic furniture industry's growth. Moreover, with increasing preference among consumers for aesthetically pleasing and comfortable living environments, the domestic luxury market is anticipated to grow in the coming years.

Growth drivers

Rising disposable income

India's per capita disposable income increased in comparison to the previous year and this development contributed positively to the growth of the luxury furniture industry in FY 2024. With increased purchasing power, consumers invested in enhancing the interiors and preferred higher-end furniture. Additionally, with projected strong economic growth, it is anticipated that the income level will rise in the coming years, further contributing to the growth in the domestic industry.

Expansion in the real estate sector

The expansion of the real estate sector in FY 2024 accelerated the demand for luxurious furniture in the economy. Moreover, by 2050, half of the Indian population is anticipated to shift to urban regions and this can offer the industry bright growth opportunities and this will further create requirements for luxury furniture.

Growth in the retail industry

The growth in the retail sector significantly benefited the domestic industry in the reported year. The ability to showcase the products and implementation of effective marketing strategies helped the sector to increase the sales of higher-end furniture. Moving ahead, the retail market in India is anticipated to grow and attain a market size of USD 1.1 trillion by 2027 and further become USD 2 trillion by 2032 thereby, supporting the growth in the higher-end furniture markets.

Dependency on Immediate Handover of Big Builders

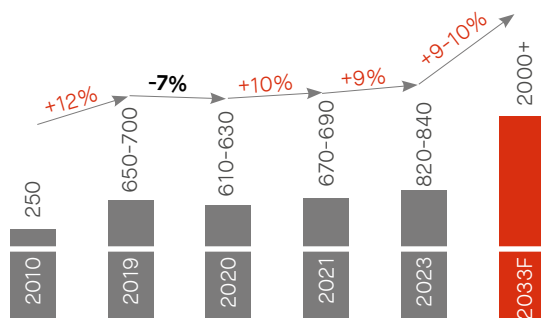
Stanleys' business is heavily reliant on new homemakers, accounting for approximately 80% of its sales. Despite the strong growth in premium housing sales over the past 3-4 years, a significant delay of 18 to 24 months has occurred in the handover of sold projects. This trend is evident nationwide, with RERA extending delivery deadlines for over a thousand buildings. As a result of these delays, customers are unable to finalize the sale of their existing properties

¹<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

²Annual Report 2023-24. Reserve Bank of India (RBI)

³<https://theprint.in/economy/manufacturing-sector-witnessed-growth-of-9-9-per-cent-in-2023-24-says-fm-sitharaman-hailing-gdp-growth/2110886/>

⁴<https://www.investindia.gov.in/sector/consumer-goods/furniture>

India retail market size (USD Bn)¹

Source: BCG and RAI Report, February 2024.

Company overview

Stanley Lifestyles Limited

Founded in 2007, as one of the first few premium and luxury furniture brands in India, Stanley Lifestyles Limited (Stanley) has steadily established its presence across super-premium, luxury and ultra-luxury furniture segments. Stanley has a strong presence in the luxury furniture business in the southern region of India especially, Bangalore and Hyderabad. The Company addresses the varied needs and requirements of its diverse customers, providing products across higher price points and along with this it offers comprehensive installation services. The Company has successfully established itself as a trusted brand among its customers by consistently prioritising customer needs and personalised solutions. Stanley's brand awareness efforts are complemented by its large retail network, strategically positioned to capture key markets in the country. In addition to this, the strong brand legacy, integrated design and manufacturing process of the Company helped it to stay ahead of the curve. Stanley is committed to sustainable practices and offers its customers products that align with environmental standards.

Key strengths



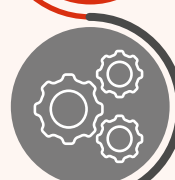
Stanley is the largest and fastest-growing brand in the luxury and super-premium furniture segment.

It provides home solutions spanning multiple categories and price points.



The Company has a pan-India presence, catering to larger markets.

The vertically integrated manufacturing ability and the skilled workforce enhances the Company's productivity.



Manufacturing

In FY 2024, Stanley had two manufacturing facilities in Karnataka. The manufacturing units of the Company are focused on producing bespoke products under the brand name Stanley and manufacturing various home furnishing solutions for multinational players. These facilities leverage advanced machinery and skilled labour to develop products that exceed customer expectations. In addition to this, regular monitoring and strict quality control measures enable the Company to uphold its commitment to meet international standards.

Financial

Particulars	FY 2024	FY 2023	Y-o-Y (%) Change
Revenue from operations (in ₹ million)	4,325	4,190	3%
Total income	4,438	4,256	4%
EBITDA	849	827	3%
EBITDA Margin (%)	19.6%	19.7%	0%
Profit before tax	390	464	-16%
Profit after tax	291	350	-17%
Profit after tax margin (%)	6.7%	8.3%	-19%
Return on Net Worth (%)	12%	15%	-20%

Key financial ratios

Particulars	FY 2024	FY 2023	Y-o-Y (%) Change	Reasons of variance
Current Ratio	2	2	-22%	No material Change
Debt equity ratio	1	1	17%	No material Change
Inventory turnover ratio	2	2	-11%	No material Change
Trade Receivables Turnover Ratio	20	24	-13%	No material Change
Trade payables Turnover Ratio	4	6	-37%	Decrease in purchase of the Group during the year has resulted in movement in this ratio
Net Capital Turnover Ratio	4	3	26%	Increase in turnover and profit of the Group during the year has resulted in movement in this ratio
Net Profit Ratio	7%	8%	-19%	No material Change
Return on Capital Employed (%)	13%	17%	-24%	No material Change

Note: +(-) 25% has been considered as Non-Material

Risk management

Risk description	Mitigation strategy
Any Fluctuations in the economic parameters in the Company's operating environment can pose an Economic risk , thereby, hindering its sustainable growth.	The Company regularly monitors the changes in the economic trends and accordingly strategises its business activities. This helps the organisation to minimise the impacts of the economic fluctuations on the business operations.
As Stanley is heavily reliant on the sale of sofas and recliners, it is vulnerable to Concentration risk . This has the potential to affect its operational and financial efficiency.	Taking into consideration the risk arising from majorly selling sofa and recliner, the Company diversified its offerings by introducing kitchen and cabinet divisions across the country. The expansion focused on catering to the untapped markets, such as, Gujarat and Chennai. Along with this, the Company also opened new Anchor stores to foray into new business segments.
Any delay in procuring the raw materials can pose a Procurement risk , negatively affecting the timely delivery of the products.	The Company focused on procuring raw materials from various countries and also increased leather localisation in terms of quantity and value. This helped in reducing the reliance on the finished leather purchase.
Any change in rules and regulations create a Regulatory risk for the Company that impacts its smooth operational efficiency.	The Company has a well-established compliance team and a robust mechanism to streamline the process. Also, experienced consultant firms hired by the organisation guided through various listing and non-listing compliances. Additionally, the Company also provided training to its employees to upskill their efficiency and therefore helping the organisation to effectively meet the regulatory requirements.

Human resource

The skilled and experienced workforce of the Company has been consistently driving the Company to success by enabling it to accomplish its goals. The Company recognises their hard work and expertise in enhancing its effectiveness and productivity, providing them with regular in-house training sessions on quality control and manufacturing. Additionally, the sales staff are provided with trainings aimed at enhancing their marketing skills and product knowledge.

Internal control systems and their adequacy

Strong internal financial controls and processes are used by the company to protect assets, stop fraud and mistakes, and guarantee the accuracy of accounting records. This method also helps to ensure that trustworthy financial reports are prepared on schedule. To monitor the amount spent on new projects, the company maintains a capital expenditure control mechanism and conducts regular business reviews. Senior

Management receives regular updates on audit findings. Internal controls are thoroughly reviewed once a year, and any necessary adjustments are made to bring them into compliance with company policies.

Cautionary statement

A few forward-looking comments regarding future prospects in the MDA section contain both known and unknown risks and uncertainties that could materially affect actual outcomes. These statements, which are predicated on assumptions made using available data and may vary over time, represent the Company's current beliefs, objectives, and goals as of the date they were made. Risks can also arise from unpredictable variables like shifting regulations and the state of the economy. In light of new information or anticipated developments, the Company is under no duty to update these statements. A number of variables, such as shifts in governmental policies and the state of the domestic and global economies, could affect the actual results.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance of STANLEY LIFESTYLES LIMITED ("The Company") for the Financial Year ended March 31, 2024, as stipulated in the relevant provisions of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('the Listing Regulations'), is set out below:

1. CORPORATE GOVERNANCE PHILOSOPHY

Our Company is resolutely committed to exemplary Corporate Governance, upholding the highest standards of ethics, accountability, transparency, and fairness. We integrate rigorous legal standards with advanced management practices to enhance our decision-making processes and exceed both stakeholder expectations and regulatory requirements. Adhering to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and their amendments, we are dedicated to protecting stakeholder interests through timely, accurate, and comprehensive disclosures about our financial health and governance practices. Our policies and codes, reflecting this commitment, are accessible on the Company's website.

2. BOARD OF DIRECTORS

The Board is central to our Corporate Governance framework, overseeing and ensuring that Management upholds and protects the long-term interests of all stakeholders. We are committed to maintaining an active, well-informed, and independent Board to uphold the highest standards of Corporate Governance.

a. Composition of Board of Directors

The Company has an optimal combination of Executive, Non-Executive and Independent Directors to maintain the independence of the Board from the management, which is in conformity

with the requirement of Section 149(4) of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations.

The Board of Directors of the Company comprised of 6 (Six) Directors as on March 31, 2024, which includes 1 (One) Managing Director and 1 (One) Whole-Time Director. The remaining 4 (Four) are Non-Executive Directors, of which 3 (Three) were Independent Directors. Since the Chairman of the Company, an Executive Director is a Promoter of the Company, more than half of the Board of Directors is comprised of Independent Directors.

The Board periodically evaluates the need for change in its composition and size. A detailed profile of our Board is available on our website: <https://www.stanleylifestyles.com/#overview>

None of the Directors of the Company serve as Directors in more than seven (7) listed companies. None of the Directors hold Directorships in more than twenty (20) Indian Companies including ten (10) Public Limited Companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public companies in which he/she is a director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. One Third of the Executive Directors and Non-Executive Directors (other than the Independent Directors and nominee director) are liable to retire by rotation in accordance with the applicable provisions of the Companies Act, 2013.

Name	Category	Board/Committee Memberships in other Companies			Director's Shareholding in number of shares	Attendance / No. of Board Meetings	AGM attendance held on 26th September 2023
		Directorships	Committee Memberships	Committee Chairmanship			
Sunil Suresh	Managing Director	4	1	-	1,73,75,547	11/11	Present
Shubha Sunil	Whole Time Director	4	1	1	1,73,75,533	11/11	Present
Vishal Verma ¹	Non-Executive Nominee Director	1	-	-	-	11/11	Present
Girish Shrikrishna Nadkarni ²	Independent Director	-	-	-	-	10/11	Present
Ramanujam Venkat Raghavan ³	Independent Director	-	-	-	51,989	5/5	Absent
Anusha Shetty ⁴	Independent Director	-	-	-	-	4/6	Present
Srinath Srinivasan ⁵	Non-Executive Nominee Director	-	-	-	-	6/6	NA
Sagarvasudev Venkatesh Kamath ⁶	Independent Director	-	-	-	-	5/6	NA

^{1,2,3,4} Alternate Directorships and Directorships in Private Companies, Section 8 Companies, Foreign Companies are excluded.

⁵ Mr. Srinath Srinivasan ceased to be a director w.e.f 31st August 2023.

⁶ Mr. Sagarvasudev Venkatesh Kamath ceased to be a director w.e.f 22nd August 2023.

b. Details of the attendance of Directors at the Board and last AGM

The attendance record of each of the Director at the Board Meetings held during the year 2023-24 and last AGM held on 26th September 2023 are provided in the table above.

2023, August 22nd 2023, August 31st 2023, September 4th 2023, December 22nd 2023, 27th January 2024 and 4th March, 2024.

c. Number of Board Meetings

During the FY 2023-24, Eleven (11) meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The Board Meetings were scheduled well in advance, and adequate notice has been given to the Board members.

d. Disclosure of Inter-se relationship amongst the Directors

As on March 31, 2024, except Mr. Sunil Suresh and Mrs. Shubha Sunil being husband and wife, no other Director was related to any other Director on the Board.

Board Meetings are generally held at the registered office of the Company either through video conference or through physical presence.

e. Familiarisation Programme for Independent Directors

The details of familiarization programme done for the financial year 2023-24 have been hosted in the website of the Company under the web link:<https://www.stanleylifestyles.com/investors/corporate-governance/>

These meetings were held on April 6th 2023, May 12th 2023, June 16th 2023, June 23rd 2023, August 16th

f. Key Board Skills, Expertise, Competence

The Board is composed of highly esteemed and accomplished individuals who bring a wealth of skills, expertise, and experience, enriching the Board’s discussions and the effectiveness of its Committees. The table below highlights the essential skills, expertise, and competencies needed for our Company, which are carefully considered during the nomination process for Board members.

The following matrix sets out the skills / expertise / competencies fundamental identified by the Board for the effective functioning of the Company and the names of the directors who have such skills / expertise / competence:

Name of the Directors	Sunil Suresh	Shubha Sunil	Vishal Verma	Girish	Ramanujam	Anusha Shetty
				Shrikrishna Nadkarni	Venkat Raghavan	
1. Financial Acumen	✓	✓	✓	✓	✓	✓
2. Industry Experience	✓	✓	✓	✓	✓	✓
3. Governance Proficiency	✓	✓	✓	✓	✓	✓
4. Innovation and Change management	✓	✓	✓	✓	✓	✓
5. Effective Communication	✓	✓	✓	✓	✓	✓
6. Technology and Development	✓	✓	✓	✓	✓	✓
7. Risk-Management	✓	✓	✓	✓	✓	✓
8. Business Expertise	✓	✓	✓	✓	✓	✓

Considering the skills, expertise and competencies required for effective functioning and discharge of Board’s duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

g. Confirmation of Independent Directors on their Independence

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors’ Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the Independent Directors and their appointments are in compliance with Regulation 25(1) and (2) of the SEBI Listing Regulations. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of Independent Directors including their role, responsibility and duties are available on our website in the weblink: <https://www.stanleylifestyles.com/investors/corporate-governance/>

h. Reason for resignation of an Independent Director

During the FY 2023-24, Mr. Sagarvasudev Venkatesh Kamath (DIN: 00671099) due to his pre-occupations, signified his intention to resign from the office of Independent Director of the Company. with effect from 22nd August, 2023.

3. COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee
- d. Risk Management Committee
- e. Corporate Social Responsibility Committee
- f. IPO Committee

The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairperson of the Committee. The Minutes of the Committee Meetings are tabled at the subsequent Meeting.

A. Audit Committee

The Board has an Audit Committee which has been constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Terms of reference of Audit Committee are:

- 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 to the Board for appointment, re-appointmen, 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;

- Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Modified opinion(s) in the draft audit report.
- 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 utilised 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;
- 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, and 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 thereon;
- 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;
- 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;
- 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 ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
 - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of the SEBI Listing Regulations.

There were 6 (Six) Audit Committee Meetings held during FY 2023-24 as follows:

- 6th April 2023
- 21st August 2023
- 31st August 2023
- 4th September 2023
- 22nd December 2023
- 4th March 2024

The composition of the Audit Committee is as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table given below gives details of Composition and the attendance record of the Members of the Audit Committee:

Name of the Members	Designation	Category	No. of Meetings
			Attended / Held
Girish Shrikrishna Nadkarni	Chairman ¹	Independent Director	5/6
Ramanujam Venkat Raghavan	Member	Independent Director	4/4
Shubha Sunil	Member	Whole-time director	4/4
Sagarvasudev Venkatesh	Former	Independent Director	1/2
Kamath	Chairman ²		
Sunil Suresh ³	Member	Managing Director	2/2

¹ Mr. Girish Shrikrishna Nadkarni was appointed as Chairman w.e.f 31st August 2023

² Mr. Sagarvasudev Venkatesh Kamath ceased to be Chairman consequent to his resignation from the Board w.e.f 22nd August 2023

³ Mr. Sunil Suresh ceased to be Member w.e.f 31st August 2023

The Company Secretary acts as the Secretary to the Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Board has Nomination and Remuneration Committee, which has been constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

Terms of reference of Nomination and Remuneration Committee are:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- The Nomination and Remuneration Committee should, for every appointment of an independent director, 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. For the purpose of identifying suitable candidates as an independent director, the Committee may:
 - use the services of 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
- Formulation of criteria for evaluation of performance 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 to the Board their appointment and removal and shall carry out evaluation of every director's performance (including Independent Director);
- Analysing, monitoring and reviewing various human resource and compensation matters;
- 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;
- 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;
- Recommend to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- The Nomination and Remuneration Committee, while formulating the Remuneration 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 the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long- term performance objectives appropriate to the working of the Company and its goals.
- perform such functions as are required to be performed by the Nomination and Remuneration Committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended,
- 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.
- carrying out any other activities as may be delegated by the Board of Directors of the Company functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

During the year under review, 4 (Four) meetings was held in FY 2023-24 as follows:

- August 16th 2023
- August 21st 2023
- August 31st 2023
- December 22nd 2023

Table given below gives the details of the Composition and attendance record of the Members of the Nomination and Remuneration Committee:

Name of the Members	Designation	Category	No. of Meetings attended/held
Anusha Shetty	Chairperson	Independent Director	2/2
Girish Shrikrishna Nadkarni	Member	Independent Director	4/4
Vishal Verma	Member	Non-Executive Nominee Director	4/4
Sagarvasudev Venkatesh Kamath ¹	Member	Independent Director	1/2

¹ Mr. Sagarvasudev Venkatesh Kamath ceased to be Member consequent to his resignation from the Board w.e.f 22nd August 2023

The Company Secretary of the Company acts as the Secretary of the Committee

Performance Evaluation

The Committee has formulated criteria for performance evaluation of the Board of Directors of the Company. The said criteria forms part of the performance evaluation policy of the Company.

Separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as Qualifications, Experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability & attendance, Commitment, Contribution and Integrity.

The evaluation of the Independent Directors was carried out with additional criteria such as Independence and Independent views and judgement.

The performance evaluation of the Chairman was carried out with further additional criteria such as Effectiveness of leadership and ability to steer the meetings, Impartiality, Commitment and Ability to keep shareholders' interests in mind. The Non-Independent Directors evaluation were carried out by the Independent Directors separately.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

Independent Director's Meeting

The Independent Directors of the Company had met during the year on 29th March 2024 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timelines of flow of information between the Company management and the Board without the presence of the Non-Independent Director and members of the Management.

Remuneration Policy

Your Company has a well-defined Policy for the Remuneration of the Directors, Key Managerial Personnel and other Employees.

The Nomination and Remuneration Policy has been formulated to provide a framework for the nomination,

evaluation and remuneration of members of the board of directors of the Company (the "Board"), key managerial personnel ("KMPs"), and other employees of the Company. This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The policy has been placed on the website of the Company at : https://www.stanleylifestyles.com/pdf/policy/Policy_Nomination%20and%20Remuneration.pdf

Nomination and Remuneration Committee (NRC) recommends the remuneration to be paid to the executive directors, non-executive director, Independent Director and KMPs to the Board for their approval.

The NRC while deciding the basis for determining the compensation, both fixed and variable takes into consideration various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the Committee may deem fit.

The level and composition of remuneration so determined by the Committee is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management Personnel of the quality required to run the Company successfully. The relationship of remuneration to performance is clear and meets the appropriate performance benchmarks.

Non-Executive and Independent Directors Compensation

Pursuant to the resolution dated August 22, 2023 passed by our Board, the Non-Executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 75,000 for attending each meeting of our Board, a sitting fee of ₹ 50,000 for attending each meeting of the audit committee and a sitting fee of ₹ 50,000 for attending each meeting of the

nomination and remuneration committee of our Board. No remuneration was paid to our Non - Executive Directors and Independent Directors in the Financial Year 2024, except for ₹ 0.85 million paid for directorship of Girish Nadkarni as an Independent Director, ₹ 0.53 million paid for directorship of Ramanujam Venkat Raghavan as an Independent Director, ₹ 0.48 million paid for directorship of Anusha Shetty as an Independent Director, and ₹ 0.58 million paid for directorship of Vishal Verma as Non - Executive Director.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2023-24.

Executive Directors' Remuneration

Details of the remuneration paid to our Executive Directors in Financial Year 2024 are set forth below:

Sl. no.	Name of Executive Director	Remuneration (in ₹ million)
1.	Sunil Suresh	19 Million
2.	Shubha Sunil	21 Million

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated by the Board are set forth below:

Terms of reference for Stakeholders' Relationship Committee are:

- considering and looking into various aspects of interest of shareholders, debenture holders and other security holders
- resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 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 any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

No meetings were held as it was not applicable at that point in time.

Table given below gives the details of Composition and attendance record of the Members of the Stakeholders' Relationship Committee:

Name of the Members	Designation	Category	No. of Meetings attended/held
Girish Shrikrishna Nadkarni	Chairman	Independent Director	NA
Sunil Suresh	Member	Managing Director	NA
Anusha Shetty	Member	Independent Director	NA
Vishal Verma	Member	Non-Executive Nominee Director	NA

During the year the Company did not receive any complaints. No pending complaints as on March 31, 2024.

The Company Secretary acts as the Secretary of the Committee and as the Compliance Officer.

D. RISK MANAGEMENT COMMITTEE :

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and provisions of Companies Act, 2013, as amended which requires the Company to lay down procedures about risk assessment and risk minimisation, the Risk Management Committee was constituted pursuant to resolution passed by the Board at its meeting held on August 31, 2023.

The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations Terms of reference of Risk Management Committee are:

Terms of reference of Risk Management Committee are:

Formulation of a detailed risk management policy which shall include:

- a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

- measures for risk mitigation including systems and processes for internal control of identified risks; and
 - business continuity plan;
 - Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
 - Keep the Board of directors of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
 - Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
 - To implement and monitor policies and/or processes for ensuring cyber security; and
 - Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- No meetings were held as it was not applicable at that point in time.

Table given below gives the details of Composition and attendance record of the Members of the Risk Management Committee:

Name of the Members	Designation	Category	No. of Meetings attended/held
Ramanujam Venkat Raghavan	Chairman;	Independent Director	NA
Shubha Sunil	Member	Whole-time Director	NA
Pradeep Kumar Mishra	Member	Chief Financial Officer	NA

E. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility Committee was constituted as per the Companies Act, 2013. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013

Terms of reference of CSR Committee are:

- 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, as amended 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;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
- monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- 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/or as may be required under applicable law, as and when amended from time to time.

1 (One) Corporate Social Responsibility Committee Meetings were held during FY 2023-24 on 22nd December 2023.

Table given below gives the details of Composition and attendance record of the Members of the Corporate Social Responsibility Committee:

Name of the Members	Designation	Category	No. of Meetings attended/held
Ramanujam Venkat Raghavan	Chairman	Independent Director	1/1
Anusha Shetty	Member	Independent Director	1/1
Shubha Sunil	Member	Whole-time Director	1/1
Vishal Verma	Member	Non-Executive - Nominee Director	1/1

F. IPO Committee

The IPO committee was constituted by our Board pursuant to a resolution dated May 12, 2023 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated May 12, 2023 passed by our Board are set forth below:

- To decide, in consultation with the BRLMs, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;
- To amend the terms of participation by the Selling Shareholders in the Offer for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;
- To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;
- To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
- To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;
- To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of our Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer
- To seek, if required, the consent and/or waiver of the lenders of our Company, customers, parties with whom our Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;
- To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;
- To open and operate bank accounts of our Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;

- To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
- To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of our Company and other employees of our Company;
- To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by our Company with the relevant stock exchanges, to the extent allowed under law;
- To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of our Company to sign all or any of the aforesaid documents;
- To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
- To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of our Company to execute all or any of the aforesaid documents;
- To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of our Company where necessary;
- To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
- To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, and the relevant stock exchange(s) where the Equity Shares are to be listed;
- To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
- To delegate any of its powers set out above, as may be deemed necessary and permissible under Applicable Laws to the officials of our Company;
- To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- To approve the list of 'group of companies' of our Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus;
- Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
- taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;
- to withdraw the Draft Red Herring Prospectus or the Red Herring Prospectus or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

- To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose,
- To remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

4. SENIOR MANAGEMENT

The following personnel are the senior management of the Company.

Sl. no	Name of the Senior Management Personnel	Designation
1	Sijo Martin Joy	Chief Operating Officer of Stanley Retail Limited
2	Sharath Kumar Shetty	Executive Vice President – Group Manufacturing
3	Sonakshi Sunil	Director of SANA Lifestyles Limited and Stanley OEM Sofas Limited

The following changes have happened during the year: No changes

5. DETAILS OF REMUNERATION PAID TO DIRECTORS

- a. The annual remuneration package of Executive Directors comprises a fixed salary component which is as follows:

Sl. no	Particulars of Remuneration	Sunil Suresh	Shubha Sunil
1.	Designation	Managing Director	Whole-time Director
2.	Tenure / Service Contract	5 years	5 years
3.	Notice Period	60 days	60 days
4.	Gross Salary (In ₹)		
	a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	19 Million	21 Million
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Nil	Nil
5.	Stock Option	Nil	Nil
6.	Sweat Equity	Nil	Nil
7.	Commission	Nil	Nil
	- As % of profit		
	- Others, If any		
8.	Others	Nil	Nil
9.	Total (in ₹)	19 Million	21 Million

- b. Payment to Non- Executive Independent Directors

The remuneration of Non-Executive Independent Directors is given in the Table below:

Name	Sitting fees	Independent Director fee (in ₹)	Total (in ₹)
Girish Nadkarni	1 Million	Nil	1 Million
Ramanujam Venkat Raghavan	1 Million	Nil	1 Million
Anusha Shetty	0.48 Million	Nil	0.48 Million
Vishal Verma	1 Million	NA	1 Million

- c. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity – The Company has no other pecuniary relationship or transactions other than those stated above.

- d. Criteria of making payments to non-executive directors

Criteria of making payments to Non-Executive Directors are as per the nomination and remuneration policy of the Company and the same is available at weblink: <https://www.stanleylifestyles.com/investors/policies>

6. GENERAL BODY MEETINGS

a. The details of the Annual General Meetings held in the last three years are as follows:

Financial Year	Location of the Meeting	Sl. No. Of Meeting	Date & Time
2022-23	Registered Office	15	26 th September, 2023 4:00PM
2021-22	Registered Office	14	30 th September, 2022 4:45PM
2020-21	Registered Office	13	3 rd March, 2022 5:30PM

b. The details of Special Resolutions passed in AGM in the last 3 years are as follows:

AGM	Date	Particulars
15	26 th September, 2023	Nil
14	30 th September, 2022	i. Ratification, Revision and Approval of Remuneration payable to Mr. Sunil Suresh (DIN: 01421517), Managing Director of the Company ii. Ratification, Revision and Approval of Remuneration payable to Mrs. Shubha Sunil (DIN: 01363687), Joint Managing Director of the Company iii. Approval for Termination of the Employees Stock Option Plan – 2019 iv. Approval for Implementation of Employee Stock Option Plan – 2022 v. Granting of Employee Stock Options to Employees of the Company vi. Granting of Employee Stock Options to Employees of Subsidiary Companies
13	3 rd March, 2022	Nil

7. MEANS OF COMMUNICATION:

Sample

Website, News & Events

Subsequent to the listing of the Company on June 28, 2024, the Company has been undertaking dissemination of information in line with the Listing Regulations on its website at www.stanleylifestyles.com

The quarterly, half-yearly and yearly results are sent to the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily) and "Vijay Karnataka" (Kannada Daily). The results are displayed on the Company's website at <https://www.stanleylifestyles.com/investors/investor-information> along with press releases and investor presentations made to institutional investors and/ or analysts.

8. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	
Financial Year	April 01, 2023 to March 31st 2024
Date of Book Closure	NA
Dividend Payment date	The Board of Directors of your Company have not declared any dividend for the financial year 2023-24.
Listing of Equity shares on stock exchange	1. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 2. BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai – 400 001 . The Annual Listing fees in respect of both the Stock Exchanges have been paid for the FY 2023-24.
Stock code (BSE)	544202
Scrip code (NSE)	STANLEY
ISIN Number (for Demat Trading)	INE01A001028
Depository Connectivity	NSDL & CDSL
Market Price data	Not Applicable, as the Equity shares of the Company were listed on BSE & NSE w.e.f. June 28, 2024.
Performance in Comparison to Sensex and Nifty	Not Applicable, as the Equity shares of the Company were listed on BSE & NSE w.e.f. June, 28, 2024.
In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not Applicable, as the Equity shares of the Company were listed on BSE & NSE w.e.f. June, 28, 2024.

Registrar and the share transfer agent	KFin Technologies Limited is the Registrar & Share Transfer Agent of the Company. Investors should address their correspondence to the Registrar & Share Transfer Agent of the Company at the address mentioned herein below: KFin Technologies Limited (formerly KFin Technologies Private Limited) Unit: Mankind Pharma Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 Tel No. : +91-40-6716 2222; Email : einward.ris@kfintech.com Website : https://www.kfintech.com
Share Transfer System & dematerialisation of shares and liquidity	The Shares of The Company are traded on the Stock Exchanges compulsorily in dematerialized mode. The entire paid-up share capital of The Company is held in dematerialized form as on and as on the date of this report. The dematerialized shares are transferred directly to the beneficiaries by the depositories. Transfer of shares in physical form are not permitted as per applicable SEBI circulars.
Distribution of Shareholding	Refer Table I
Non-Convertible Debentures (NCDs)	NA
Details of the outstanding ADRS / GDRS / Warrants or convertible instruments	NA
Unclaimed Dividend and IEPF shares	NA
Commodity price risk or foreign exchange risk and hedging activities	NA
Company Secretary and Compliance Officer	Mr. Akash Shetty
Plant Location:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore - 560100 Karnataka - India
Address for Correspondence	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore - 560100 Karnataka - India
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	The details of Credit ratings obtained by the entity, forms part of the Board's report.

Table-I

Shareholding by category as on March 31, 2024

Category	Count	No. of Shares	% of Shareholding
Promoter & Promoter Group	3	3,47,66,280	67.36
Bodies Corporate (including Foreign Bodies Corporate)	1	5,00,024	0.97
Mutual Funds	-	-	-
Non-Resident Indians	-	-	-
Foreign Portfolio Investors	-	-	-
Alternate Investment Funds	1	1,38,61,134	26.86
Individuals	11	24,80,730	4.81
Others	-	-	-
Total	16	5,15,97,168	100.00

9. OTHER DISCLOSURES

a. Related Party Transactions

All transactions entered with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There was no materially significant related party transaction having potential conflict with the interests of the Company during the year. Transactions with related parties, as per the requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements.

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained prior approval of the Audit Committee for entering into transactions with related parties. The approved policy for related party transactions has been uploaded on the Company's website at <https://www.stanleylifestyles.com/investors/policies>

b. Details of non-compliance

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters. The disclosure of compliances with respect to Corporate Governance requirements as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 is made in the Corporate Governance Report.

c. Vigil mechanism / Whistle Blower Policy

The Company has formulated a Whistle Blower Policy and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy.

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behaviour. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no personnel have been denied access to the Audit Committee.

Further details are available in the Whistle Blower policy of the Company posted in Company Website at <https://www.stanleylifestyles.com/investors/policies>

d. Compliance with mandatory and discretionary requirements

The Company is complying with all applicable provisions of SEBI Listing Regulations including regulations 17 to 27 and 46.

The Company has complied with discretionary requirements under regulation 27(1) of the Listing Regulations.

Further, On the basis of declarations received from Board Members and Senior Management Personnel, the Managing Director has given a declaration that the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and The Senior Management during the Financial Year 2023-24. A copy of such declaration is enclosed as Annexure I with this report.

Compliance of the conditions of Corporate Governance have also been audited by HVS and ASSOCIATES, and after being satisfied of the above compliances, they have issued a compliance certificate in this respect pursuant to Schedule V of the SEBI Listing Regulations. The said certificate is enclosed as Annexure II to this report.

e. Web Link Where Policy for Determining 'Material' Subsidiary is Disclosed

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website: <https://www.stanleylifestyles.com/investors/policies>

f. Disclosure of commodity price risks and commodity hedging activities:

The Company has not entered into any commodity hedging activities.

g. Certificate from Company Secretary in Practice regarding Non-disqualification of Directors

None of the Directors on the Board of the Company have been debarred or disqualified from appointment or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, as stipulated under Regulation 34 of the SEBI Listing Regulations and certificate in this respect received from HVS and Associates, is enclosed as Annexure III to this report.

h. Statutory Auditor Fee

M/s. Deloitte, Haskins and Sells LLP, Chartered Accountants are the Statutory Auditors of the Company. The total fee paid for the year 2023 -24 to Statutory Auditors is : 3 Million

i. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's Report. During the year under review, no complaint

was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

j. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount. Nil

k. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

S. No	Name of Material Subsidiary	Date and place of Incorporation	Name of Statutory Auditor	Date of Appointment
1	Stanley Retail Limited	26-05-2008	DELOITTE HASKINS & SELLS LLP	23-09-2019
2	Stanley OEM Sofas Limited	30-12-2015	DELOITTE HASKINS & SELLS LLP	03-09-2019
3	SHRASTA Décor Private Limited	18-17-2017	DELOITTE HASKINS & SELLS LLP	03-09-2019

l. In the preparation of financial statement there is no differential treatment from the prescribed Accounting Standards. Yes

m. Disclosures with respect to demat suspense account/ unclaimed suspense account.

Not applicable

n. Chief Executive Officer & Chief Financial Officer Certification

The Chief Executive Officer and Chief Financial Officer of the Company have given annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and the said certificate is annexed with this report as Annexure IV.

o. There are no agreements that require disclosure under Regulation 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

On behalf of the Board of Directors
For Stanley Lifestyles Limited

Mr. Sunil Suresh

Managing Director
DIN: 01421517

Place: Bengaluru, Karnataka

Date: 02/09/2024

Mrs. Shubha Sunil

Whole-time Director
DIN: 01363687

Annexure-I

COMPLIANCE WITH THE CODE OF CONDUCT

This is to certify that the Company has laid down a Code of Conduct (the Code) for all Board Members and Senior Management Personnel of the Company and a copy of the Code is put on the website of the Company: <https://www.stanleylifestyles.com/investors/corporate-governance/>

It is further confirmed that all the Directors and Senior Management have affirmed their compliance with the Code for the Financial Year ended March 31, 2024.

For Stanley Lifestyles Limited

Mr. Sunil Suresh
Managing Director
DIN: 01421517

Annexure-II

CORPORATE GOVERNANCE CERTIFICATE

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

The Members of

STANLEY LIFESTYLES LIMITED

SY No.16/2 and 16/3 Part, Hosur Road,
Veerasandra village, Attibele Hobli, Anekal Taluk,
Bangalore – 560100, Karnataka, India.

1. Background

We have been approached by **Stanley Lifestyles Limited** (“the Company”) to examine the compliance with the conditions of Corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), as amended from time to time, for the financial year from 01st April 2023 to 31st March 2024.

2. Management’s Responsibility

The Compliance of conditions of Corporate Governance stipulated in the Listing Regulations is the responsibility of the management. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Methodology

- i. In order to conduct our examination, we were provided with the relevant documents and information including explanations, wherever required.
- ii. Our examination was conducted in a manner which provided us with a reasonable basis for evaluating the systems, internal controls and processes adopted by the Company to monitor and ensure compliance with the conditions of Corporate Governance and to certify thereon.

5. Other Matter

Subsequent to the year end, the Company’s share has been listed on stock exchanges with effect from 28th June

2024, therefore compliance requirements of Corporate Governance in Listing Regulation is not applicable for the year ended 31st March 2024. However the Company has Complied the Corporate Governance provisions to extent applicable.

6. Opinion

Based on our examination as aforesaid, as mentioned in para 5 above, the information, explanations and representations provided by the management, we certify that, the Company has complied with the conditions of the Corporate Governance stipulated in the Listing Regulations, for the Financial Year from 01st April 2023 to 31st March 2024, to the extent applicable.

7. Disclaimer

- i. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- ii. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs.

For HVS & Associates

Company Secretaries

Firm Unique Code: P2016TN048302

Peer Review No: 641/2019

VINU THOMAS

M.No: 10306 , CoP:13428

UDIN: F010306F001099768

Place: Bengaluru

Date: 02/09/2024

Annexure-III

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)

The Members of

STANLEY LIFESTYLES LIMITED

SY No.16/2 and 16/3 Part, Hosur Road,
Veerasandra village, Attibele Hobli, Anekal Taluk,
Bangalore – 560100, Karnataka, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **STANLEY LIFESTYLES LIMITED** bearing CIN: U19116KA2007PLC044090 and having its registered office at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore – 560100, Karnataka, 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.

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 & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of Director	DIN	Date of appointment in Company
1.	Sunil Suresh	01421517	11/10/2007
2.	Shubha Sunil	01363687	11/10/2007
3.	Vishal Verma*	07056461	03/03/2022
4.	Girish Shrikrishna Nadkarni	00040971	07/04/2022
5.	Ramanujam Venkat Raghavan	06886628	22/08/2023
6.	Anusha Shetty	01666992	22/08/2023
7.	Sonakshi Sunil#	09387990	14/08/2024

* ceased to be a Director of the Company w.e.f. 12th July 2024.

Appointment as additional Director of the Company w.e.f. 14th August 2024.

Ensuring the eligibility for the 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.

For HVS & Associates

Company Secretaries

Firm Unique Code: P2016TN048302

Peer Review No: 641/2019

VINU THOMAS

M.No: 10306 , CoP:13428

UDIN: F010306F001099671

Place: Bengaluru

Date: 02/09/2024

Annexure IV

MD AND CFO CERTIFICATE

Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

To,
The Board of Directors
Stanley Lifestyles Limited
SY No.16/2 and 16/3 Part,
Hosur Road, Veerasandra village,
Attibele Hobli, Anekal Taluk,
Bangalore, Karnataka, India, 560100

Subject: Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

We, Sunil Suresh – Managing Director and Pradeep Kumar Mishra – Chief Financial Officer of Stanley Lifestyles Limited ('the Company'), hereby confirm that:

- a. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the year ended 31st March 2024 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the listed entity'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 have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the same.
- d. We have, to the extent applicable, indicated to the auditors and the 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 that 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 Stanley Lifestyles Limited

SUNIL SURESH
MANAGING DIRECTOR

PRADEEP KUMAR MISHRA
Chief Financial Officer

Place: Bengaluru, Karnataka
Date: 02/09/2024

Independent Auditor's Report

To
The Members of
Stanley Lifestyles Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Stanley Lifestyles Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Shareholder's information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are 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 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 during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

except for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 54 to the standalone financial statements) and not complying with the requirement of audit trail as stated in (i)(vi) below.

- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in note 38 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 53A to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 53B to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 wherein the accounting software did not have the audit trail feature enabled throughout the year (refer note 35 of the standalone financial statements).
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

As proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Date: July 19, 2024
Place: Bengaluru
SK/TG/2024

Sandeep Kukreja
Partner
(Membership No. 220411)
(UDIN: 24220411BKERMT4722)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph “1(g)” under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of **Stanley Lifestyles Limited** (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control 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.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sandeep Kukreja

Partner

Place: Bengaluru
Date: July 19, 2024
SK/TG/2024

(Membership No. 220411)
(UDIN: 24220411BKERMT4722)

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of property, plant and equipment and Intangible assets:

- (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 and intangible assets under development.

(b) The Company has a program of verification of property, plant and equipment, capital work in progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment, capital work in progress and right-of-use assets was due

during the year the question of reporting on material discrepancies noted on verification does not arise.

- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment, intangible assets and right-of-use assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with the books of account.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, quarterly returns or statements comprising stock statements, statements on ageing analysis of the debtors, creditor balance and sales during the quarter is filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters except for the following:

(Rs in million)

For the quarter ended	Sanctioned amount to which discrepancy relates to	Nature of current assets	Nature of discrepancy	Amount as per Quarterly returns and statements	As per unaudited books of accounts	Difference
June'23	720	Trade Receivables	Month closure Entries	511	461	50
Sep'23	720	Trade Receivables	Month closure	685	684	1
		Trade Payables	Entries	265	237	28
		Inventories	Entries	464	480	(16)
Dec'23	720	Trade Receivables	Month closure	712	710	2
		Trade Payables	Entries	442	447	(5)
		Inventories	Entries	560	545	15
Mar'24	720	Trade Receivables	Month closure	645	643	2
		Trade Payables	Entries	150	159	(9)
		Inventories	Entries	533	516	17

(iii) The Company has made investments in, granted unsecured loans, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- a. The Company has provided loans or stood guarantee during the year and details of which are given below:

	(Rs in million)	
	Loans	Guarantees
A. Aggregate amount provided during the year:		
- Subsidiaries	-	-
B. Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	50	371

* The Company has disclosed the above loan and guarantee amounts in note 7B and 38 of the standalone financial statements.

- The Company has not provided any security to any entity during the year.
- b. The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- 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 of principal amounts and receipts of interest are regular as per stipulation.
- d. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted there is no overdue amount remaining outstanding as at the balance sheet date.
- e. No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We have been informed that the provisions of Excise Duty are not applicable to the Company.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of disputes are given as below:

Name of the statute	Nature of statute	Amount (Rs. in Million)	Period to which the amount relates to	Forum where Dispute is pending
Income tax Act, 1961	Income tax and interest	1 [^]	FY 2020-21	CIT (Appeals)
Income tax Act, 1961	Income tax and interest	5	FY 2007-08	CIT - Central Circle 1 (1), Bangalore
Income tax Act, 1961	Income tax and interest	4	FY 2008-09	CIT - Central Circle 1 (1), Bangalore
Income tax Act, 1961	Income tax and interest	0*	FY 2009-10	CIT - Central Circle 1 (1), Bangalore
Income tax Act, 1961	Income tax and interest	0*	FY 2012-13	CIT - Central Circle 1 (1), Bangalore

[^] Net of Rs. 0.28 million paid under protest

* Amounts represents less than Rs. 1 million

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessment under the Income-tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the standalone 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.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company which were issued after the balance sheet date covering the period April 01, 2023 to March 31, 2024 for the period under audit.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group ("Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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) (a) In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

- (b) In respect of ongoing projects, there is no unspent CSR amount for the year requiring a transfer to a special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sandeep Kukreja

Partner

(Membership No. 220411)

(UDIN: 24220411BKERMT4722)

Place: Bengaluru

Date: July 19, 2024

SK/TG/2024

Standalone Balance Sheet

as at 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	286	271
Right of use assets	5	377	435
Capital work in progress	4c	375	-
Intangible assets	4a	37	27
Intangible assets under development	4b	16	11
Financial assets			
(i) Investments	6	326	342
(ii) Loans	7B	50	79
(iii) Other financial assets	7	35	31
Current tax assets (net)	14	20	13
Deferred tax assets (net)	8	49	54
Other non-current assets	9	23	19
Total non-current assets		1,594	1,282
Current assets			
Inventories	10	517	437
Financial assets			
(i) Trade receivables	11	589	416
(ii) Cash and cash equivalents	12	5	5
(iii) Bank balances other than (ii) above	13	410	556
(iv) Other financial assets	7	3	10
Other current assets	9	142	43
Total current assets		1,666	1,467
Total assets		3,260	2,749
Equity and liabilities			
Equity			
Equity share capital	15	103	74
Other equity	16	1,890	1,746
Total equity attributable to equityholders		1,994	1,820
Total equity		1,994	1,820
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	-	2
(ii) Lease liabilities	36	403	454
(iii) Asset retirement obligations	4d	25	23
Total non-current liabilities		428	479
Current liabilities			
Financial liabilities			
(i) Borrowings	17	241	42
(ii) Lease liabilities	36	53	48
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	19	11	45
b) Total outstanding of creditors other than micro and small enterprises	19	313	235
(iv) Other financial liabilities	20	190	19
Other current liabilities	21	11	48
Provisions	18	11	12
Current tax liabilities (net)	22	8	1
Total current liabilities		838	450
Total liability		1,266	929
Total equity and liabilities		3,260	2,749
Summary of material accounting policies	2		

The accompanying notes are integral part of these standalone financials statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

STANLEY LIFESTYLES LIMITED

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

Shubha Sunil

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &
Compliance officer

FCS No: 11314

Place: Bengaluru
Date: 19 July 2024Place: Bengaluru
Date: 19 July 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	23	2,313	2,282
II Other income	24	196	155
III Total revenues		2,509	2,437
IV Expenses			
a) Cost of materials consumed	25	1,446	1,455
b) Purchase of stock-in-trade	26	0	11
c) Changes in stock of finished goods and work-in-progress	27	19	31
d) Employee benefits expense	28	257	212
e) Finance costs	29	61	57
f) Depreciation and amortisation expense	30	108	99
g) Other expenses	31	398	445
V Total expenses		2,289	2,310
VI Profit before tax (III - IV)		220	127
VII Tax expenses			
a) Current tax	22	54	47
b) Deferred tax charge/ (credit)	22	6	(5)
c) Short/(excess) provision of tax relating to earlier years	22	3	(3)
VIII Total tax expenses		63	39
IX Profit for the year		157	88
X Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to Standalone Statement of Profit or Loss in subsequent periods:			
a) Re-measurement gains/ (losses) on defined benefit plans	37	(2)	2
b) Income tax relating on above	22	0	(1)
XI Total other comprehensive income for the year (net of tax)		(2)	1
XII Total comprehensive income (net of tax) for the year (IX + X)		155	89
Earnings per equity share (EPS)			
- Basic (in Rs) [nominal value of share Rs. 2 /-]	43	3.03	1.69
- Diluted (in Rs) [nominal value of share Rs. 2 /-]	43	3.03	1.69
Summary of material accounting policies	2		

The accompanying notes are integral part of these standalone financials statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

For and on behalf of the Board of Directors

STANLEY LIFESTYLES LIMITED

Shubha Sunil

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Standalone Statement of Cash Flows

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flows from operating activities:			
Profit before tax		220	127
Adjustments for:			
Depreciation and amortisation expenses	30	108	99
Provision for credit allowances	30	(9)	19
Unrealized foreign exchange (gain)/ loss (net)		0	(0)
(Gain)/ loss on sale of property, plant and equipment (net)	24	(1)	(2)
Liabilities no longer required written back	24	(15)	(8)
Gain on de-recognition of loan	24	3	12
Share based payment expense	28	8	3
Provisions for warranty	31	4	3
Finance costs	29	61	57
Interest income	24	(51)	(38)
Cash flow from operating activities before working capital changes		328	272
Adjustments for (increase)/ decrease in assets:			
Inventories		(80)	74
Trade receivables		(164)	(1)
Financial assets		2	(4)
Other assets		(99)	(3)
Adjustments for increase/ (decrease) in liabilities:			
Trade payables		59	(42)
Financial liabilities		(0)	4
Provisions		(7)	1
Other current liabilities		(37)	(6)
Cash generated from operations		2	295
Income taxes paid (net)		(54)	(46)
Net cash (used in)/ from operating activities		(51)	249
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital creditors, capital advances and intangible assets under construction)		(290)	(108)
Proceeds from sale of property, plant and equipment		4	3
Proceeds from bank deposits		146	56
Interest received		40	46
Intercompany loan repayment		50	46
Interest received on intercompany loan		10	9
Investment in subsidiary		(0)	(17)
Net cash (used in)/ from investing activities		(39)	35
C Cash flows from financing activities			
Proceeds from borrowings (Refer note below)		197	-
Repayment of borrowings (Refer note below)		-	(15)
Payment of lease liabilities (refer note below)		(48)	(40)
Interest on lease rentals (refer note below)		(43)	(45)
Processing fees for capital borrowings (Refer note below)		-	(1)
Interest paid (refer note below)		(16)	(8)
Dividend paid (Refer note below)		-	(170)
Net cash (used in)/ from financing activities		90	(279)
Net decrease in cash and cash equivalents		0	5
Cash and cash equivalents at the beginning of the year	12	5	0
Cash and cash equivalents at the end of the year		5	5

Standalone Statement of Cash Flows

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	12	5	5
(ii) Fixed deposits with maturity of less than 3 months			
Cash on hand	12	0	0
Cash and cash equivalents at the end of the year		5	5

Notes:

Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

As at 31 March 2024

Particulars	31 March 2023	Non-cash changes		Cash flows	31 March 2024
		Finance cost accrued during the year	Additions (Net)		
Borrowings	44	-	-	197	241
Lease liabilities	502	43	2	(91)	456
Interest on overdraft facility	-	16	-	(16)	-
Total	546	59	2	90	697

As at 31 March 2023

Particulars	31 March 2022	Non-cash changes		Cash flows	31 March 2023
		Finance cost accrued during the year	Additions (Net)		
Borrowings	59	-	-	(15)	44
Lease liabilities	503	45	39	(85)	502
Interest on overdraft facility	-	8	-	(8)	-
Processing fees	-	1	-	(1)	-
Dividend	-	-	170	(170)	-
Total	562	54	209	(279)	546

The accompanying notes are integral part of these standalone financials statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

STANLEY LIFESTYLES LIMITED

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

Shubha Sunil

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Standalone Statement of Changes In Equity

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

A Equity share capital

As at 31 March 2024

Balance at the beginning of the current reporting year	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year *	Balance at the end of the current reporting year
74	74	29	103

* refer to note 15 for details of changes during the year

As at 31 March 2023

Balance at the beginning of the current reporting year	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
74	74	-	74

B Other equity

Particulars	Attributable to the equity holders				Total other equity attributable to equity holders of the company
	Reserve and surplus			Remeasurement of defined benefit plans	
	Securities premium reserve	Retained earnings	Employee stock option reserve		
As at 31 March 2022	1,158	656	-	7	1,821
Add / (Less):					
Profit for the year	-	88	-	-	88
Dividend paid	-	(170)	-	-	(170)
ESOP expense for the year	-	-	6	-	6
Other comprehensive income (net of tax)	-	-	-	1	1
As at 31 March 2023	1,158	574	6	8	1,746
Profit for the year	-	157	-	-	157
Bonus issue	(29)	-	-	-	(29)
ESOP expense for the year	-	-	19	-	19
Other comprehensive income (net of tax)	-	-	-	(2)	(2)
As at 31 March 2024	1,129	731	25	6	1,890

The accompanying notes are integral part of these standalone financials statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

STANLEY LIFESTYLES LIMITED

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

Shubha Sunil

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

1 General Information

Stanley Lifestyles Limited ("the Company" or "SLL") was incorporated on 11 October 2007 as a public limited company under the provisions of the Companies Act 1956 with its registered office in Bengaluru, India. The Company together with its subsidiaries (Collectively referred to as "the Group") is primarily engaged in the business of manufacturing and trading of furniture and leather products.

The Company is incorporated and domiciled in India under the provisions of the Companies Act, applicable in India. The registered office of the company is located at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100, India. The Company's equity shares have been listed on Bombay Stock Exchange Limited ("BSE") and on National Stock Exchange of India Limited ("NSE") on June 28, 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs. 2 each at an issue price of Rs 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

The standalone financial statements of the Company were approved in the meeting of the Board of Directors held on 19 July 2024.

2 Material accounting policies

Material accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied to all the years presented 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.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Embedded derivative and
- iii) Asset classified as held for sale

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of standalone financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

- a) Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost includes its purchase price, including import duties and other non-refundable taxes or levies (for Leasehold improvements and Vehicles, Goods and Services Tax is not availed but added to the cost of acquisition or construction), freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.
- b) Subsequent expenditures related to an item of tangible fixed asset are added to its book value only

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

- c) The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress.
- d) Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances' under 'long-term loans and advances'.
- e) Assets received on amalgamation are recorded at its fair value.
- f) Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of fixed assets as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower. Depreciation on addition to property, plant and equipment's is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipment's is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Assets individually costing up to Rupees five thousand are fully depreciated in the year of capitalisation.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate

between the reporting currency and the foreign currency at the date of the transaction.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

2.4 Fair value measurement

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 accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 ;

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- 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.

2.5 Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods and all significant risks and rewards of their ownership are transferred to the customer which generally coincides with delivery to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognised as revenue is exclusive of GST and net of trade and quantity discounts.

The Company presents revenues net of indirect taxes in its Standalone Statement of Profit and loss.

Billings in excess of revenue recognized is classified as contract liabilities ('Deferred revenue') included in other current liabilities.

Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income is recognised using the time-proportion method, based on underlying interest rates.

2.6 Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(c) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination

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for the year ended 31 March 2024

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that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12

months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the companies net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.8 Inventories

Inventories are valued at lower of cost (weighted average method) and net realisable value after providing for obsolescence and other losses, where considered necessary. For traded goods purchases costs include cost of purchase and other costs bringing inventory to there location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of certain aero structures, components, work-in-progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.

In determining the cost of raw materials, components, stores, spares and loose tools, the First In First Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs

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incurred in bringing the inventory to their present location and condition.

Work-in-progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work-in-progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

2.9 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.11 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets up to the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

2.12 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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2.13 Investment in Subsidiary

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (a) at cost, or
- (b) in accordance with Ind AS 109.

Company accounts for its investment in subsidiary at cost.

2.14 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.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate method (EIR).

Fair Value Through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of

principal and interest, are measured at Fair Value Through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value Through Profit or Loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all

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shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when :

- a) the rights to receive cash flows from the financial asset is transferred; or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients."

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for

trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Standalone Statement of Profit and Loss.

(iii) De-recognition

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities

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are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(b) Defined contribution plan

The Company makes defined contribution to provident fund and superannuation fund, which are recognised as an expense in the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss."

(c) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise.

(d) Other long term employee benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within Twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond twelve months from the end of the year are treated as other long-term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the Statement of Profit and Loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings 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 is adjusted for the effects of all dilutive potential equity shares.

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating results separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The business segment in which the Company operates is 'manufacture, trading and sale of Automotive Seating Covers, Furniture, Fixtures and Accessories'. The Company does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Company operates in a single business segment of namely manufacture, trading and sale of Automotive Seating Covers, Furniture, Fixtures and Accessories

2.18 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million

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as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions and recent pronouncements

The preparation of financial statements requires Management to make judgments, 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 years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company 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 Company. Such changes are reflected in the assumptions when they occur.

(a) Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

(b) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most

appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 51 Equity-settled transactions: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Company best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Standalone Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(c) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

3.2 Recent pronouncements

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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4 Property, plant and equipment

Particulars	Gross block		As at 1 April 2023	As at 31 March 2024	Accumulated depreciation		Net carrying value	
	As at 1 April 2023	Additions			Disposals	As at 31 March 2024	Depreciation expense	Disposals
Leasehold improvements	196	17	213	-	17	-	45	168
Plant and machinery	99	37	136	-	17	-	43	93
Electrical equipment	9	3	12	-	1	-	3	9
Office equipment	3	0	3	-	1	-	3	0
Computers	4	2	6	-	1	-	2	4
Furniture and fixtures	4	0	4	-	1	-	3	1
Vehicles	18	1	13	6	3	2	2	11
Total	333	60	387	6	41	2	100	286

Particulars	Gross block		As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	As at 31 March 2023	Accumulated depreciation		Net carrying value	
	As at 1 April 2022	Additions					Disposals	As at 1 April 2022	Depreciation expense	Disposals
Leasehold improvements	148	48	196	-	12	16	28	168	136	
Plant and machinery	85	14	99	0	11	15	26	73	74	
Electrical equipment	8	1	9	-	1	1	2	7	7	
Office equipment	3	0	3	-	1	1	2	1	2	
Computers	2	2	4	-	0	1	1	3	2	
Furniture and fixtures	4	0	4	-	1	1	2	2	3	
Vehicles	23	-	18	5	2	3	1	17	21	
Total	273	65	333	5	28	38	62	271	245	

Note:

- There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2022 till year ending 31 March 2024.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4 Property, plant and equipment (Contd..)

4a Intangible assets

Particulars	Gross block			Accumulated depreciation			Net carrying value			
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	Depreciation expense	Disposals	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
Computer software	31	6	-	37	4	6	-	10	27	27
Licenses and Trademarks	-	11	-	11	-	1	-	1	10	-
Total	31	17	-	48	4	7	-	11	37	27

Particulars	Gross block			Accumulated amortisation			Net carrying value			
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Amortisation expense	Disposals	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
Computer software	9	22	-	31	2	2	-	4	27	7
Total	9	22	-	31	2	2	-	4	27	7

Note:

1. There has been no revaluation of intangible assets during the financial year beginning from 1 April 2022 till year ending 31 March 2024.

4b Intangible assets under development

Particulars	Gross block			Accumulated depreciation			Net carrying value			
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	Depreciation expense	Disposals	As at 31 March 2024	As at 31 March 2023	As at 31 March 2023
New product under development	11	16	11	16	-	-	-	-	16	11
Total	11	16	11	16	-	-	-	-	16	11

Particulars	Gross block			Accumulated amortisation			Net carrying value			
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Amortisation expense	Disposals	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
New product under development	-	11	-	11	-	-	-	-	11	-
Total	-	11	-	11	-	-	-	-	11	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4 Property, plant and equipment (Contd..)

4c Capital work in progress

Particulars	Amount
Balance as at 1 April 2022	-
Additions	-
Deduction	-
Balance as at 31 March 2023	-
Additions*	408
Deduction	(33)
Balance as at 31 March 2024	375

* The Company has entered into an agreement on September 1, 2023 with Mr. Sunil Suresh (Managing Director of the Company) to purchase the 'Stanley' Trademark and Copyright at an agreed price of Rs. 443 million (inclusive of GST). The amount was to be paid in various tranches so as to complete the entire payment by September 30, 2024. The Company paid the agreed amount by March 31, 2024 which was Rs 275 million, thereby complying with the payment schedule as per the signed agreement. The Company has applied for the registration of a trademark in the name of the Company on August 19, 2023, however, the registration of Trademark and Copyright is still pending and therefore the amount has been classified under capital work in progress.

4d Asset retirement obligations

Particulars	As at 31 March 2024	As at 31 March 2023
Assets retirement obligations	25	23

5 Right of use Assets

Particulars	Amount
Gross carrying amount	
As at 1 April 2022	753
Additions	43
Deduction	-
Balance as at 31 March 2023	796
Additions	2
Deduction	-
Balance as at 31 March 2024	798
Accumulated depreciation	
As at 1 April 2022	302
Additions	59
Deduction	-
Balance as at 31 March 2023	361
Additions	60
Deduction	-
Balance as at 31 March 2024	421
Net carrying amount	
Written down value as at 31 March 2023	435
Written down value as at 31 March 2024	377

Note:

- The aggregate depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the Standalone Statement of Profit and Loss.
- There has been no revaluation of right-of-use assets during the financial year beginning from 1 April 2022 till year ending 31 March 2024.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

6 Non current investments

Particulars	As at 31 March 2024	As at 31 March 2023
Trade investment (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries		
Stanley Retail Limited 4,856,130 [(31 March 2023: 4,856,130) equity shares of Rs. 10 each fully paid]	257	257
Add: Deemed investment on account of ESOP offered to employees of subsidiary and step down subsidiary (refer note 6.2 below)	10	4
	267	261
ABS Seating Private Limited 198,588 [(31 March 2023: 198,588) equity shares of Rs. 10 each fully paid]	19	19
Add: Deemed investment on account of ESOP offered to employees of subsidiary (refer note 6.2 below)	1	0
	20	19
Stanley OEM Sofas Limited 3,760,000 [(31 March 2023: 3,760,000) equity shares of Rs. 10 each fully paid]	38	38
Add: Deemed investment on account of ESOP offered to employees of subsidiary (refer note 6.2 below)	1	0
Add: Deemed investment on account of fair valuation under IndAS 109 on loan given on preferential interest rate to subsidiary Company (also refer note 6.3 below)	-	24
	39	62
	326	342
Aggregate amount of unquoted investments	326	342
Category-wise non current investment		
Financial assets carried at cost	326	342

6.1 Movement in investment in Stanley Retail Limited

Particulars	Amount
Opening balance as at 1 April 2022	240
Addition of shares during the year	
65,616 equity share of Rs 10 each fully paid at a premium of Rs. 253 per share	17
Closing balance as at 31 March 2023	257
Addition of shares during the year	-
Closing balance as at 31 March 2024	257

6.2 The Company under the Employee Stock Option Plan 2022 has granted stock options to its employees, employees of subsidiary company and employees of step down subsidiary companies ("Company Companies"). The fair value of the share options is estimated at the grant date using a Black Scholes model, model, taking into account the terms and conditions. As required under Ind AS 102, the Company has recognised deemed investment for stock options granted to employees of Company Companies.

6.3 Investment in Stanley OEM Sofas Limited includes amounts recognised as deemed investment. Deemed investment has been arrived at on account of preferential interest rate charged by the Company on long term loan advanced to Stanley OEM Sofas Limited as required under Ind AS 109. The impact of the same is summarised in the table below.

Particulars	Amount
Opening balance as at 1 April 2022	90
Add: Deemed investment on account of ESOP	0
Less: Adjustments under Ind AS 109 during the year	(28)
Closing balance as at 31 March 2023	62
Add: Deemed investment on account of ESOP	1
Less: Adjustments under Ind AS 109 during the year	(24)
Closing balance as at 31 March 2024	39

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

7 A. Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(Unsecured considered good)		
Security deposits	35	31
	35	31
Current		
(Unsecured, considered good)		
Security deposit	1	1
Interest accrued on fixed deposits	2	6
Other advances	-	2
Advance to employees	0	1
	3	10

B. Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(Unsecured considered good)		
Loans to related parties (refer note 42)	50	100
Impact on account of deemed investment due to preferential interest rate offered to subsidiary (refer to note below)	-	(21)
	50	79
	50	79

Note:

A. Loans to related parties

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Stanley OEM Sofas Limited	50	100
Total	50	100

7B.1 i) The loan to Stanley OEM Sofas Limited i.e. Subsidiary Company of Rs. 50 millions(as at 31 March 2023 Rs 100 millions) at a rate of interest of 12.70% (31 March 2023: 9% p.a.) is receivable in monthly installment of Rs 7 million commencing from 30 April 2029 with an option for early prepayment.

ii) Reduction in loan on account of fair valuation of borrowings in accordance with Ind AS 109 of Rs. Nil (as at 31 March 2023: Rs 21 millions)

7B.2 Changes in loan from cash and non cash changes:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	79	63
Non cash changes- Interest accrued on the effective interest rate (refer note 24)	10	12
Non cash changes- Change in the fair value of loan (refer note 24)	21	16
Cash flow changes- Loan given during the year	-	-
Cash flow changes- Loan repaid during the year	(50)	(4)
Cash flow changes- Interest received for the year (refer note 42)	(10)	(8)
Balance at the end of the year	50	79

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

8 Deferred tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets:		
Property plant and equipment	(0)	1
Inter corporate borrowings	-	5
Provision for employee benefit expense	1	2
Provision for bonus	2	1
Provision for expected credit loss	9	2
Lease Liabilities (net)	33	31
Others	4	12
	49	54
Deferred tax assets (net)	49	54

9 Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Dues paid under protest	7	7
Capital advances	16	12
Prepaid expenses	-	0
	23	19
Current		
Advances to suppliers	20	29
Prepaid expenses*	98	4
Balance with statutory/ government authorities	23	10
Gratuity Fund (refer note 37)	1	-
	142	43

*Note: Prepaid expenses includes amount of Rs. 93 millions that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders based on the final valuation arrived before the RHP filing

10 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials (at cost)*	407	308
Work-in-progress	57	46
Finished goods	25	22
Stock-in-trade	28	61
	517	437

* including goods in transit of Rs 95 millions [31 March 2023 Rs 36 millions]

11 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good		
- related party (refer note 42)	522	403
- others	67	13
	589	416
Unsecured, considered doubtful		
- related party (refer note 42)	27	27
- others	7	17
Less: Allowance for expected credit loss ("ECL")	(34)	(44)
	589	416

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

11 Trade receivables (Contd..)

A. Trade receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	589	-	-	-	589
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	2	0	32	34
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	589	2	0	32	623
Less: Allowance for credit loss	-	2	0	32	34
Total trade receivables as at As at 31 March 2024	589	-	-	-	589

B. Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	416	-	0	-	416
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	11	2	4	27	44
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	427	2	4	27	460
Less: Allowance for credit loss	11	2	4	27	44
Total trade receivables as at 31 March 2023	416	-	0	-	416

Notes:

a) Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days

b) Movement in credit loss allowances

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	44	25
Change in provision during the year	(10)	19
Balance at the end of the year	34	44

12 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	0	0
Balances with banks		
- in current accounts	5	5
	5	5

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

13 Other balance with banks

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than 3 months but less than 12 months (refer note "b" below)	403	552
In earmarked accounts (Refer note "a" below)	7	4
	410	556

Note:

- Earmarked accounts includes Rs 3 millions (31 March 2023: Rs 2 millions) against the bank guarantee and Rs 4 millions (31 March 2023: Rs 1 millions) placed against the letter of credit obtained by the Company.
- Deposit accounts includes Rs 400 millions (31 March 2023: Rs 150 millions) lien against the working capital facility.

14 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Taxes paid	134	13
Less: Provision for tax	(114)	-
	20	13

15 Equity share capital

15.1 Particulars	As at 31 March 2024	As at 31 March 2023
Authorized		
75,000,000 [(31 March 2023: 7,500,000)] equity shares of Rs 2/- each (31 March 2023 Rs 10/-each)	150	75
	150	75
Issued, subscribed and fully paid-up		
Equity Shares		
51,597,168 [(31 March 2023: 7,371,024)] equity shares of Rs 2/- each (31 March 2023 Rs 10/-each)	103	74
	103	74

15.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	7,371,024	74	73,71,024	74
Subdivision i.e. split issue*	29,484,096	-	-	-
Issued during the period*	14,742,048	29	-	-
Total	51,597,168	103	73,71,024	74

* Refer 15.6 for details on split issue and bonus issue.

15.3 Details of shareholders holding more than 5% shares in the Company.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- (31 March 2023 Rs 10/-)				
Sunil Suresh	1,73,75,547	34%	24,82,221	34%
Shubha Sunil	1,73,75,533	34%	24,82,219	34%
Oman India Joint Investment Fund II	1,38,61,134	27%	19,80,162	27%

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

15 Equity share capital (Contd..)

15.4 Details of shares held by the promoters

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- (31 March 2023 Rs 10/-)				
Sunil Suresh	1,73,75,547	34%	24,82,221	34%
Shubha Sunil	1,73,75,533	34%	24,82,219	34%

15.5 Rights, preferences and restrictions

The Company has only one class of equity share having a par value of Rs 2 per share (31 March 2023 Rs 10 per share). Each holder of equity share is entitled to one vote per share. In event of liquidation of the Company, the holders of equity shares would be entitled to receive 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.

15.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding 31 March 2024

For the period of five years immediately preceding the restated standalone balance sheet date, there are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash or shares allotted as fully paid up by way of bonus shares or shares bought back except for issue of 14,742,048 bonus shares to existing shareholders on 19 June 2023.

Notes:

- The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company a subdivision of authorised share capital from 7,500,000 equity shares having a face value of Rs. 10 each per equity share to 37,500,000 equity shares having a face value of Rs. 2 each per equity share in terms of Sections 13, 61, and 64 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, an increase in the authorised share capital from Rs. 75 million to Rs. 150 million in terms of Section 61 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, a bonus share in the proportion of 2 new bonus shares of Rs 2 each per equity share for every 5 existing fully paid-up equity shares of Rs 2 each, by capitalisation an amount of Rs 29 million in terms of Sections 63 and 123(5) and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

Consequent to above allotments, the paid-up equity share capital of the Company stands increased from Rs. 74 million consisting of consisting of 7,371,024 equity shares of Rs. 10 each to Rs 103 Millions consisting of 51,597,168 Equity Shares of Rs. 2 each. Earnings per equity share has been calculated for the current period after considering the total number of equity shares post subdivision and issue of bonus shares as per the provisions of the applicable Ind AS.

16 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium reserve		
Balance at the beginning of the year	1,158	1,158
Add/(less) : Movement during the year	(29)	-
Balance at the end of the year (A)	1,129	1,158
Retained earnings		
Balance at the beginning of the year	574	656
Add: Profit for the year	157	88
Less: Dividend paid	-	(170)
Balance at the end of the year (B)	731	574

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

16 Other equity (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	8	7
Add: Re-measurement defined benefit plans (net) (refer note 37)	(2)	1
Balance at the end of the year (C)	6	8
Employee stock option plan		
Balance at the beginning of the year	6	-
Share based payment expense	19	6
Balance at the end of the year (D)	25	6
Total Equity (A) + (B) + (C) + (D)	1,890	1,746

Securities premium reserve

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Employee stock option plan

Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

17 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured loans		
Long term loan (refer note (a) below)	2	5
	2	5
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	2	3
	-	2
Current		
Secured loans		
Secured, overdraft facility (refer note (b) below)	239	39
Current maturities of term loan (refer note (a) below)	2	3
	241	42

Notes:

- The Company during the year ended 31 March 2022, has taken auto loan from HDFC bank for Rs 8 millions which is repayable in 39 equated monthly installments at the rate of interest of 7% per annum secured by hypothetical life of vehicle
- Working capital facilities (fund based and non-fund based) from State Bank of India (Rs. 500 million), ICICI Bank (Rs. 220 million) aggregating to Rs.720 Millions (As at 31 March 2023 Rs 720 Millions) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works and lien on bank deposit of Rs. 400 Millions (State Bank of India - Rs. 150 million, & ICICI Bank - Rs. 250 million) (31 March 2023 Rs 150 Millions).
- The Company has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2023 to 31 March 2024.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

18 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Provision for employee benefits		
Gratuity (refer note 37)	-	5
Compensated absences (refer note 37)	4	1
Provision for warranty	7	6
	11	12

*Assurance type warranties

A provision is recognised for expected warranty claims on products sold during the years, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

19 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues to micro and small enterprises	11	45
Total outstanding of creditors other than micro and small enterprises		
- related party (refer note 42)	2	6
- others	311	229
	324	280

A. Trade payables ageing as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	0	11	0	-	-	11
Undisputed dues to creditors other than micro and small enterprises	162	150	1	-	0	313
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables as at 31 March 2024	162	161	1	-	0	324

B. Trade payables as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	45	0	-	-	45
Undisputed dues to creditors other than micro and small enterprises	75	159	1	0	-	235
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables as at 31 March 2023	75	204	1	0	-	280

Notes

- for information required to be furnished as per Section 22 of the Micro, small, and medium Enterprises Development Act 2006 (MSMED Act) and schedule III of the companies Act 2013, refer to note 39
- for details on transactions with related party, refer to note 42
- Trade payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Dealer deposits	0	0
Rent deposit from related party (refer note 42)	19	19
Capital Creditors	171	-
	190	19

21 Other liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers		
- related party (refer note 42)	-	18
- Others	2	1
Statutory dues	9	26
Capital Creditors	-	3
	11	48

22 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for taxes	60	47
Less: Taxes paid	(52)	(46)
	8	1

Current tax liabilities (net)

A. The major components of income tax expense for the year are as under :

Particulars	As at 31 March 2024	As at 31 March 2023
i. Tax expense recognized in the Standalone Statement of Profit and Loss		
Current tax expense:		
Current tax on profit for the year	54	47
Short/(Excess) Provision of tax relating to earlier years	3	(3)
Deferred tax expense:		
Deferred tax expenses	6	(5)
Total tax expense recognized in the Standalone Statement of Profit and Loss	63	39
ii. Tax expense recognized in other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement of defined benefit plan	(0)	1
Items that will be reclassified to profit and loss		
Total tax expense recognized in other comprehensive income	(0)	1
Total tax expense	63	40

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

22 Current tax liabilities (net) (Contd..)

B. Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	As at 31 March 2024	As at 31 March 2023
Accounting Profit before income tax expenses	220	127
Enacted tax rate in India (%)	25%	25%
Expected income tax expense	55	32
Tax effect of :		
Expenses which are permanent disallowance		
CSR Expenses	1	1
Interest disallowed	0	0
Impairment of investments	6	7
Tax relating to earlier years	3	(3)
Expense disallowed income tax	(4)	4
Others	2	(1)
Income tax expenses	63	40
Effective tax rate (%)	29%	32%

23 Revenue from operations

Particulars	31 March 2024	31 March 2023
Sale of products		
- Manufactured goods	2,073	2,005
- Traded goods	240	252
- Raw materials	-	25
	2,313	2,282

Reconciliation of amount of revenue recognised in Standalone Statement of Profit and Loss with contracted price:

Particulars	31 March 2024	31 March 2023
Sale of products		
Contract price	2,313	2,282
Revenue recognised	2,313	2,282
ii. Contract balance:		
a. Contract assets- Trade receivables (refer note 11)	589	416
b. Contract liabilities- Advance received from customers (refer note 21)	2	19

Performance obligation

Information about the Company's performance obligations are summarised below:

Sales as original equipment manufacturer

- The performance obligation is satisfied upon delivery of the goods on ex-works basis at the Company's manufacturing facility
- The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-40 days.
- In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Sales to related party

- The performance obligation is satisfied upon delivery of the good on to customer.
- The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-90 days.
- In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

24 Other income

Particulars	31 March 2024	31 March 2023
Interest income on		
- Bank deposits	36	24
- Intercompany loans (refer note below)	10	12
- Unwinding of security deposit	3	3
- Letter of credit margin	1	0
- Income tax refund	2	-
Rent including lease rentals (refer note 36)	60	50
Foreign exchange difference (net)	7	9
Liabilities no longer required written back	15	8
Hire charges income	11	11
Gain on de-recognition of loan	21	16
Profit on sale of property, plant and equipment	1	2
Cross charge income	29	20
	196	155

Note:

Particulars	31 March 2024	31 March 2023
Interest income at amortised cost method considering market rate of interest (@ 12.7% p.a. on related party loan* (Refer note 7)	10	12

* Although interest is receivable at 12.7% (31 March 2023: 9% p.a.) from the Subsidiary Company which amounts to Rs. 10 millions (31 March 2023: Rs. 9 millions) based on the Company's accounting policy, interest expense is recognised based on effective interest rate method considering the market rate of interest of 12.70% p.a. (31 March 2023: 12.70% p.a.) on related party loan.

25 Cost of materials consumed

Particulars	31 March 2024	31 March 2023
Inventories at the beginning of the year	308	351
Add : Purchases made during the year		
- related party (refer note 42)	52	12
- others	1,493	1,400
	1,853	1,763
Less : Inventories at the end of the year (refer note 10)	407	308
Total cost of materials consumed	1,446	1,455

26 Purchase of stock-in-trade

Particulars	31 March 2024	31 March 2023
Purchase of stock-in-trade	0	11
	0	11

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

27 Changes in stock of finished goods and work-in-progress

Particulars	31 March 2024	31 March 2023
Inventories at the end of the year (refer note 10)		
Finished goods (traded)	28	61
Finished goods (manufactured)	25	22
Work-in-progress	57	46
	110	129
Inventories at the beginning of the year		
Finished goods (traded)	61	99
Finished goods (manufactured)	22	15
Work-in-progress	46	46
	129	160
	19	31

28 Employee benefit expenses

Particulars	31 March 2024	31 March 2023
Salaries, wages and bonus	222	183
Share based payment expense (refer note 51)	8	3
Contribution to provident and other funds (refer note 37)	11	10
Staff welfare expenses	12	12
Gratuity expense (refer note 37)	4	4
	257	212

29 Finance costs

Particulars	31 March 2024	31 March 2023
Interest on-		
- Working capital	15	8
- Lease liabilities	43	45
- Micro and small enterprises	1	0
- Others	0	1
Processing fees for working capital borrowings	-	1
Borrowing cost on asset retirement obligation	2	2
	61	57

30 Depreciation and amortisation expenses

Particulars	31 March 2024	31 March 2023
Depreciation on property, plant and equipment (refer note 4)	41	38
Amortization of intangible assets (refer note 4a)	7	2
Depreciation on right of use assets (refer note 5)	60	59
	108	99

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

31 Other expenses

Particulars	31 March 2024	31 March 2023
Advertisement and business promotion	104	88
Rent including lease rentals (refer note 36)	6	6
Carriage outwards	17	17
Royalty expense	4	10
Power and fuel	12	15
Expenditure on Corporate Social Responsibility (CSR)	3	2
Travelling and conveyance	12	14
Security charges	8	6
Repairs and maintenance		
- Plant and machinery	1	2
- Leasehold facilities	-	1
- Others	18	11
Legal and professional charges	16	17
Rates and taxes	5	17
Job work charges	137	158
Bank charges	4	3
Communication expenses	4	1
Insurance expenses	10	7
Sales commission	3	7
Audit remuneration (refer note below)	3	3
Director sitting fees	3	1
Provision for expected credit loss (refer note 11)	-	19
Provisions for warranty (refer note 44)	5	3
Miscellaneous expenses	9	9
Reversal of expected credit loss, net (refer note 11)	(10)	-
Gain or loss on derecognition of loan from related party	24	28
	398	445
Note:		
Audit remuneration (net of GST credit)		
- statutory audit fees	3	3
- reimbursement of expenses	0	-
	3	3

32 Deferred Tax

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2024

Particulars	As at 31 March 2023	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2024
Tax effect of item constituting deferred tax assets				
Property plant and equipment	1	(1)	-	(0)
Inter corporate borrowings	5	(5)	-	-
Provision for employee benefit expense	2	(1)	0	1
Provision for bonus	1	1	-	2
Provision for expected credit loss	2	7	-	9
Lease Liabilities (net)	31	2	-	33
Others	12	(8)	-	4
Total	54	(6)	0	49
Net deferred tax assets	54	(6)	0	49

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

32 Deferred Tax (Contd..)

As at 31 March 2023

Particulars	As at 1 April 2022	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2023
Tax effect of item constituting deferred tax assets				
Property plant and equipment	2	(1)	-	1
Inter corporate borrowings	10	(5)	-	5
Provision for employee benefit expense	2	1	(1)	2
Provision for bonus	2	(1)	-	1
Provision for expected credit loss	3	(1)	-	2
Lease Liabilities (net)	26	5	-	31
Others	5	7	-	12
Total	50	5	(1)	54
Net deferred tax assets	50	5	(1)	54

33 Financial risk management objectives and policies

Risk management framework

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks 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 reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Company's functional currency in Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. The Company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars and Euro;

During the current year there are no exports, however the Company has imported leather and other raw materials which is subject to foreign exchange risk.

Refer note 40 for foreign currency risk exposure as at standalone balance sheet date

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is exposed to credit risk from its operating activities mainly trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 Financial risk management objectives and policies (Contd..)

The provision for doubtful receivables has been historically negligible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at 31 March 2024 and 31 March 2023 is considered to be adequate.

Particulars	31 March 24		31 March 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	589	34	427	33
Expected credit losses (Loss allowance provision)	-	(34)	(11)	(33)
Carrying amount of trade receivables (net of expected credit losses)	589	-	416	0

Movement in allowance for bad and doubtful debts:

Particulars	Amount
As at 1 April 2022	25
Movement during the year	19
As at 31 March 2023	44
Movement during the year	(10)
As at 31 March 2024	34

b) 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 asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Company's short-term, medium-term and long-term funding. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2024

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 17)	241	-	-	241
Trade payables (refer note 19)	323	1	0	324
Other financial liabilities (refer note 20)	190	-	-	190
	754	1	0	755

As at 31 March 2023

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 17)	42	2	-	44
Trade payables (refer note 19)	279	1	-	280
Other financial liabilities (refer note 20)	19	-	-	19
	340	3	-	343

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 Financial risk management objectives and policies (Contd..)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at 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 at floating rates of interest.

Total borrowings as at the standalone Balance Sheet date is as follows:

Particulars	31 March 2024	31 March 2023
Term loan (including current maturities) (refer note 17)	2	5
Overdraft facilities (refer note 17)	239	39
Total	241	44

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liabilities outstanding at the year end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2024 would decrease / increase by Rs 0.15 million (for the year ended 31 March 2023: decrease / increase by Rs 0.08 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Capital management

The Company's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

Particulars	31 March 2024	31 March 2023
Borrowings (including current maturities) (refer note 17)	241	44
Less:		
Cash and cash equivalents (refer note 12)	5	5
Bank balances other than cash and cash equivalents (refer note 13)	410	556
Net debt	(174)	(517)
Total equity	1,994	1,820
Capital gearing ratio	(0.09)	(0.28)

Dividends

Particulars	31 March 2024	31 March 2023
(i) Dividends recognized		
a. Final dividend for the year ended 31 March 2024 of Rs. Nil (31 March 2023 of Rs 4/-) per fully paid share	-	30
b. Interim dividend for the year ended 31 March 2024 of Rs. Nil (31 March 2023 of Rs 19/-)per fully paid up share`	-	140
(ii) Dividends not recognized at the end of the reporting period		
a. In addition to the above dividends, since the year ended, the Directors have recommended the payment of a final dividend of Rs. Nil (31 March 2023: Rs Nil /- per fully paid equity share) This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting"	-	-
b. In addition to the above dividends, since the year ended, the Directors has declared and paid the interim dividend of Rs. Nil (31 March 2023: Rs Nil/- per fully paid equity share)	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

34 Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the standalone financial statements.

Financial instruments by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these standalone financial statements at amortised cost approximate their fair values.

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	31 March 2024			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Investments in subsidiaries (refer note 6)	3	326	-	326	326
(b) Loans (refer note 7)	3	50	-	50	50
(c) Other financial assets					
- Security deposit (refer note 7A)	3	35	-	35	35
(d) Trade receivables (refer note 11)	3	589	-	589	589
(e) Cash and cash equivalents (refer note 12)	3	5	-	5	5
(f) Bank balances other than (e) above (refer note 13)	3	410	-	410	410
(g) Other financial assets (refer note 7)	3	3	-	3	3
Total		1,418	-	1,418	1,418
Financial liabilities					
(a) Borrowings (refer note 17)	3	241	-	241	241
(b) Trade payables (refer note 19)	3	324	-	324	324
(c) Lease liabilities (refer note 36)	3	456	-	456	456
(d) Assets retirement obligations (refer note 4d)	3	25	-	25	25
(e) Other financial liabilities (refer note 20)	3	190	-	190	190
Total		1,236	-	1,236	1,236

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

34 Financial instruments (Contd..)

Particulars	Level	31 March 2023			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Investments in subsidiaries (refer note 6)	3	318	24	342	342
(b) Loans (refer note 7)	3	100	(21)	79	79
(c) Other financial assets					
- Security deposit (refer note 7A)	3	31	-	31	31
(d) Trade receivables (refer note 11)	3	416	-	416	416
(e) Cash and cash equivalents (refer note 12)	3	5	-	5	5
(f) Bank balances other than (e) above (refer note 13)	3	556	-	556	556
(g) Other financial assets (refer note 7)	3	10	-	10	10
Total		1,436	3	1,439	1,439
Financial liabilities					
(a) Borrowings (refer note 17)	3	44	-	44	44
(b) Trade payables (refer note 19)	3	280	-	280	280
(c) Lease liabilities (refer note 36)	3	502	-	502	502
(d) Assets retirement obligations (refer note 4d)	3	23	-	23	23
(e) Other financial liabilities (refer note 20)	3	19	-	19	19
Total		868	-	868	868

Note:

The Company as not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.

- 35** The Company has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility, however, the same has not been enabled throughout the year for all relevant transactions recorded in the software. The Company is in process of implementing the changes inline with the regulations.

36 Leases

Information on leases as per Ind AS 116 on "Leases":

- (a) Following are the changes in the carrying value of right of use assets :

Particulars	31 March 2024	31 March 2023
Opening balance	435	451
Additions/modifications	2	43
Deletions/adjustments	-	-
Depreciation	(60)	(59)
Closing balance	377	435

The aggregate depreciation is included under depreciation and amortisation expense in the standalone Statement of Profit and Loss:

- (b) The following is the break-up of current and non-current lease liabilities:

Particulars	31 March 2024		31 March 2023	
	Current	Non-current	Current	Non-current
Lease liabilities	53	403	48	454

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

36 Leases (Contd..)

(c) The following is the movement in the lease liabilities for the period/ year ended 31 March 2024, 31 March 2023:

Particulars	Lease liabilities
As at 1 April 2022	503
Additions/modifications	39
Deletions	-
Finance costs	45
Lease rentals paid	(85)
Balance as at 31 March 2023	502
Additions/modifications	2
Deletions	-
Finance costs	43
Lease rentals paid	(91)
Balance as at 31 March 2024	456

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2024, 31 March 2023 on an undiscounted basis

Particulars	31 March 2024	31 March 2023
Undiscounted future cash flows		
- Not later than 1 year	92	86
- Later than 1 year and not later than 5 years	348	273
- Later than 5 years	247	258

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.

(e) Rental expense recorded for short-term leases was Rs. 6 million for the period ended 31 March 2024 (31 March 2023: Rs. 6 million)

(f) Sub-lease income:

The Company has sub-let certain factory and showroom spaces that are renewable on a periodic basis. All leases are cancellable by providing sufficient notice. Rental income received during the period in respect of operating lease is Rs 60 millions (31 March 2023: Rs 50 millions).

37 Employee benefits

a. Defined contribution plan

The Company's contribution to defined contribution plan has been recognized as expense in the standalone Statement of Profit & Loss under the head employee benefit expense for the year are as under:

Particulars	31 March 2024	31 March 2023
Employer's contribution to provident fund and family pension fund	10	9
Employer's contribution to employees state insurance scheme	1	1
	11	10

b. Defined benefit plan - Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per The Payment of Gratuity Act, 1972 and the Company's scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The Company operates single type of gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

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for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

37 Employee benefits (Contd..)

The following tables summaries the components of net benefit expense recognized in the standalone Statement of Profit & Loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

Particulars	31 March 2024	31 March 2023
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	16	15
Interest cost	1	1
Current service cost	4	4
Benefits paid directly from employer	(1)	(1)
Due to change in financial assumptions	0	(1)
Due to experience	1	(2)
Closing defined benefit obligation	21	16
ii) Changes in fair value of plan assets during the year:		
Opening fair value of planned assets	11	11
Interest income	1	1
Contributions by employer	11	-
Return on plan assets, excluding interest income	(1)	(1)
Closing fair value of plan assets	22	11
iii) Net asset/(liability) recognized in the standalone Balance Sheet:		
Present value of benefit obligation at the end of the year	(21)	(16)
Fair value of plan assets at the end of the year	22	11
Net asset/(liability) recognized in the standalone balance sheet	1	(5)
Net Asset/(Liabilities) – current (refer note no 9 and refer note no 18)	1	(5)
Net Asset – Non-current (refer note no 9 and refer note no 18)	-	-
iv) Expenses recognized in the Standalone Statement of Profit and Loss for the year:		
Current service cost	4	4
Net interest Cost	0	0
Past service cost	-	-
Expenses recognized in Standalone Statement of Profit and Loss	4	4
v) Recognized in Standalone other comprehensive income (OCI) for the year:		
Actuarial (gains)/losses on obligations:		
Due to change in demographic	-	-
Due to change in financial assumptions	0	(1)
Due to experience	1	(2)
Return on plan assets, excluding interest income	1	1
Net (income)/expense for the period recognized in Standalone OCI	2	(2)
vi) Actuarial assumptions:		
Expected return on plan assets	7%	7%
Rate of discounting	7%	7%
Rate of salary increase	10%	10%
Rate of employee turnover	10%	10%
vii) Maturity profile of defined benefit obligation:		
1st following year	3	1
2nd following year	2	1
3rd following year	1	1
4th following year	2	1
5th following year	3	2
Sum of years 6 to 10	9	7
Sum of years 11 and above	21	18
viii) Standalone Balance Sheet reconciliation:		
Opening net liability	4	4
Expenses recognized in standalone Statement of Profit or Loss	4	4
Expenses recognized in standalone OCI	2	(2)
Benefit paid directly by the employer	(1)	(1)
Employer's contribution	(11)	-
Net liability/(asset) recognized in the Standalone Balance Sheet	(1)	5
ix) Category of assets:		
Insurance fund	22	11

Notes to the Standalone Financial Statements

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37 Employee benefits (Contd..)

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plan is particularly sensitive to are discount rate and salary growth rate. The following table summarises the impact on the reported defined benefit obligation at the end of the year arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	31 March 2024	31 March 2023
Defined Benefit Obligation on Current Assumptions	21	16
Delta Effect of +1% Change in Rate of Discounting	(1)	(1)
Delta Effect of -1% Change in Rate of Discounting	2	1
Delta Effect of +1% Change in Rate of Salary Increase	1	1
Delta Effect of -1% Change in Rate of Salary Increase	(1)	(1)
Delta Effect of +1% Change in Rate of Employee Turnover	(0)	(0)
Delta Effect of -1% Change in Rate of Employee Turnover	0	0

The above sensitivity analyses 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 method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Standalone Balance Sheet.

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 8 years (As at 31 March 2023: 9 years)

b. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	31 March 2024	31 March 2023
Compensated absences		
- Current (refer note no. 18)	4	1
- Non-Current (refer note no. 18)	-	-
	4	1

38 Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March 2024	31 March 2023
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/deduction, expenses claimed & adjustments) (Refer note 2 below)	1	1
(b) Customs (relating to EPCG license)	8	-
(c) Atria mall case (Refer note 1 below)	26	26
(d) Others (relating to consumer complains and other matters)	2	2
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	31	14
(c) Corporate Guarantee		
- Stanley Retail Limited, Subsidiary Company	201	201
- Stanley OEM Sofas Limited, Subsidiary Company	170	170

Notes:

- M/s Alif Enterprises & Ors. have filed suit against the Company for non payment of rent, hoarding and other maintenance charges for the space allocated in 'Atria Mall' which amounts to Rs. 26 millions. The Company has filed counter claim against M/s Alif Enterprises & Ors. for loss suffered due to the poor maintenance in 'Atria Mall'. The Management is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.
- An order under Section 143(3) of the Income Tax Act, 1961 has been received invoking provision u/s 37 of Income Tax Act, 1961 disallowing certain expenses for assessment year 2021-2022. The demand is Rs 1 million and the Group has appealed against the same by remitting 20% i.e. Rs 0.28 million under dispute. In the financial ended 31 March 2022, the Company has filed an appeal.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

39 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	31 March 2024	31 March 2023
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	11	45
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c. 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 Micro and Small Enterprise Development Act, 2006;	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2	1
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Standalone Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

40 Foreign currency risk exposure as at Standalone Balance Sheet date:

Particulars	31 March 2024		31 March 2023	
	Amount in Rs. Million	Amount in foreign currency Million	Amount in Rs. Million	Amount in foreign currency Million
Trade payables				
USD	(26)	(0)	(18)	(0)
Euro	(43)	(0)	(34)	(0)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	31 March 2024	31 March 2023
Payables- Foreign currency /INR		
Increase in INR	(0.60)	(0.42)
Decrease in INR	0.60	0.42

41 Segment information

The primary reporting of the Company has been made on the basis of Business Segments. The Company has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely business of manufacturing and trading of furniture and leather products. The Managing Director of the Company allocates and assess the performance of the Company and is the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment need to be considered.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

42 Related party transactions

42.a Details of related parties:

Description of relationship	Names of related parties	
Subsidiaries	Stanley Retail Limited	
	Stanley OEM Sofas Limited	
	ABS Seating Private Limited	
Step-down Subsidiaries	Staras Seating Private Limited	
	Sana Lifestyles Limited	
	Scheek Home Interiors Limited	
	Shrasta Décor Private Limited	
Significant influence over the entity	Oman India Joint Investment Fund	
Key Management Personnel (KMP)	Mr. Sunil Suresh- Chief Executive Officer	
	Ms. Shubha Sunil- Director	
	Mr. Kiran Bhanu Vuppalapati (Head of OEM Business)	
	Mr. Akash Shetty - Company Secretary	
	Mr. Pradeep Mishra - Chief Financial Officer (w.e.f. 16 November 2022)	
	Non-Executives Directors	
	Mr. Vishal Verma- Nominee Director (Upto 19 July 2024)	
	Mr. Srinath Srinivasan- Nominee Director (Upto 31 August 2023)	
	Mr. Girish Shrikrishna Nadkarni, Independent Director (w.e.f., 7 April 2022)	
	Mr. Ramanujam Venkat Raghavan, Independent Director (w.e.f., 22 August 2023)	
	Ms. Anusha Shetty- Independent Director (w.e.f., 22 August 2023)	
	Mr. Sagarvasudev Venkatesh Kamath- Independent Director (Upto 21 July 2022)	
	Entities in which KMP / Relatives of KMP can exercise significant influence	Design Eight Private Limited
		Saas Kitchens
Stanley Estate & Leisure		

42.b Particular of Transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
Stanley Retail Limited	Subsidiary		
Sales		1,076	1,085
Common expenses		146	107
Purchases		7	5
Purchase of capital goods		-	9
Loan repaid		-	43
Interest on loan		-	0
Investment made during the year		-	17
Reimbursement of Expenses - insurance		2	-
Recovery of Expenses		0	-
Stanley OEM Sofas Limited	Subsidiary		
Sales		113	70
Common expenses		16	14
Purchases		44	7
Reimbursement of Expenses		0	-
Interest on loan		10	8
Rental Income		17	16
Loan recovery		50	-
Sana Lifestyles Limited	Step-down Subsidiary		

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

42 Related party transactions (Contd..)

Particulars	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
Sales		42	35
Reimbursement of expenses		0	0
Common expenses		0	-
Shrasta Décor Private Limited	Step-down Subsidiary		
Sales		159	200
Reimbursement of expenses		0	1
Purchases		1	-
Common expenses		0	-
Design eight private limited			
Sales		2	-
ABS Seating Private Limited	Subsidiary		
Sales		158	144
Common expenses		0	-
Staras Seating Pvt. Ltd.	Step-down Subsidiary		
Sales		170	155
Comission Expenses		5	-
Reimbursement of expenses		0	-
Stanley Estates and Leisure	Entities in which KMP / Relatives of KMP can exercise significant influence		
Sales		1	0
Rental Expense		0	-
Reimbursement of Expenses		-	0
Key Managerial Personnel			
Sunil Suresh	Key Managerial Personnel		
Salary/Perquisites		19	18
Royalty		4	10
Sales		-	0
Dividend		-	52
Issue of Bonus Shares		10	-
Contract for purchase of trade mark		375	-
Shubha Sunil	Key Managerial Personnel		
Salary / Perquisites		19	16
Dividend		-	52
Sales		1	-
Issue of Bonus Shares		10	-
Mr. Srinath Srinivasan	Key Managerial Personnel		
Sitting fees		0	0
Mr. Sagarvasudev Venkatesh Kamath	Key Managerial Personnel		
Sitting fees		0	0
Mr. Vishal Verma	Key Managerial Personnel		
Sitting fees		1	0
Mr. Girish Nandkarni	Key Managerial Personnel		
Sitting fees		1	0
Mrs. Anusha Shetty	Key Managerial Personnel		
Sitting fees		0	-
Mr. Ramanujam Venkat Raghavan	Key Managerial Personnel		
Sitting fees		1	-
Oman India Joint Investment Fund	Significant influence over the entity		
Issue of Bonus Shares		8	-
Akash Shetty	Key Managerial Personnel		
Salary / Perquisites		1	1
Pradeep Mishra	Key Managerial Personnel		
Salary / Perquisites		10	3
Variable pay		4	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

42 Related party transactions (Contd..)

42.c Balances as at year end

Particulars	Relationship	31 March 2024	31 March 2023
ABS Seating Private Limited	Subsidiary		
Trade receivables		32	-
Advance from customers		-	11
Investment		20	19
Saas Kitchens	Entities in which KMP / Relatives of KMP can exercise significant influence		
Trade receivables		6	6
Staras Seating Private Limited	Step-down Subsidiary		
Advance from customers		-	7
Trade receivables		21	-
Stanley OEM Sofas Limited	Subsidiary		
Trade receivables		11	31
Rental deposit received		15	15
Loans and advances		50	100
Investment		39	38
Corporate Guarantee		170	170
Stanley Retail Limited	Subsidiary		
Trade receivables		359	271
Investment		267	261
Rental deposit received		4	4
Corporate Guarantee		201	201
Sana Lifestyles Limited	Step-down Subsidiary		
Advance from customers		-	0
Trade receivables		15	-
Scheek Home Interiors Limited	Step-down Subsidiary		
Trade receivables		21	21
Shrasta Décor Private Limited	Step-down Subsidiary		
Trade receivables		84	95
Stanley Estates and Leisure	Entities in which KMP / Relatives of KMP can exercise significant influence		
Trade receivables		0	0
Design Eight Private Limited	Entities in which KMP / Relatives of KMP can exercise significant influence		
Trade receivables		0	-
Sunil Suresh	Key Managerial Personnel		
Trade Payables		0	2
Royalty		-	2
Capital Creditor		168	-
Shubha Sunil	Key Managerial Personnel		
Trade Payables		1	2
Trade receivables		0	-
Mr. Vishal Verma	Key Managerial Personnel		
Trade Payables		0	-
Mr. Girish Nandkarni	Key Managerial Personnel		
Trade Payables		0	-
Mr. R V Raghavan	Key Managerial Personnel		
Trade Payables		0	-
Akash Shetty	Key Managerial Personnel		
Trade Payables		0	0
Pradeep Mishra	Key Managerial Personnel		
Trade Payables		0	-
Guarantees - KMP	Key Managerial Personnel		
(Joint guarantee of Sunil Suresh and Subha Sunil)		-	150

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

43 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2024	31 March 2023
I. Basic earning per share		
Profits attributable to equity shareholders	157	88
Net profit for calculation of basic and diluted EPS	157	88
Weighted average number of equity shares in calculating basic EPS	5,15,97,168	5,15,97,168
- No of equity share as at 31 March 2023/ 31 December 2023/ 31 March 2024	5,15,97,168	73,71,024
- No of split equity share	-	3,68,55,120
- No of bonus equity share	-	1,47,42,048
Total weighted average number of equity share	5,15,97,168	5,15,97,168
Weighted average number of equity shares in calculating basic EPS	5,15,97,168	5,15,97,168
Basic earning per share in Rs.	3.03	1.69
II. Diluted earning per share		
Weighted average number of equity shares outstanding during the year ('C)	5,15,97,168	5,15,97,168
Weighted average number of equity shares in calculating basic EPS	5,15,97,168	5,15,97,168.00
Weighted average share under Employee Stock Options	4,36,017	41,227.00
Weighted average share at average market price	(1,71,020)	(10,402.78)
Diluted earning per share in Rs.	3.03	1.69

44 Provision for warranty

The Company has given warranties on various ranges of furniture, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as on 31 March 2024 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	31 March 2024	31 March 2023
Balance as at the beginning of the year	6	3
Add: Charge for the year	5	3
Less: Utilised during the year	(4)	-
Balance as at the year end	7	6
Current liabilities	7	6

45 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 720 million (as at 31 March 2023 Rs. 720 million) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works, corporate guarantee by Stanley Lifestyles Limited, Parent Company and lien on bank deposit of Rs. 400 million (31 March 2023: Rs 150 million).

The monthly statements of receivables, payables, inventories and sales filed with the banks against the borrowings obtained by the Company are in agreement with the books of account other than below:

Month	Bank name	Sanctioned amount	Nature of assets	As per unaudited books of accounts	Amount as per quarterly returns and statements	Amount of difference*
Jun-22	SBI Bank	500	Trade receivables	534	534	-
			Trade payables	318	317	1
Mar-23	SBI Bank	720	Inventory	432	432	-
	ICICI Bank					
Jun-23	SBI Bank	720	Trade receivables	461	511	(50)
	ICICI Bank		Trade payables	158	158	-
			Inventory	540	540	(0)

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

45 Details submitted to bank on account of credit facility availed (Contd..)

Month	Bank name	Sanctioned amount	Nature of assets	As per unaudited books of accounts	Amount as per quarterly returns and statements	Amount of difference*
Sep-23	SBI Bank	720	Trade receivables	684	685	(1)
	ICICI Bank		Trade payables	237	265	(28)
			Inventory	480	464	16
Dec-23	SBI Bank	720	Trade receivables	710	712	(2)
	ICICI Bank		Trade payables	447	442	5
			Inventory	545	560	(15)
Mar-24	SBI Bank	720	Trade receivables	643	645	(2)
	ICICI Bank		Trade payables	159	150	9
			Inventory	516	533	(17)

* These differences in trade receivables, trade payables, and inventories are because of the book closure entries.

Notes:

- Intercompany receivables and payables are considered for the purpose of filling out the statement to the bank.
- Stock-in-transit is considered for the purpose of filling out the statement to the bank.

46 Registration or satisfaction of charge

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except below:

Particulars	Type of charges	Location of registrar	Period (in Days)	Date of modification/ loan sanctioned	Date by which charge has to be created	Date of creation	Modified value/ Amount of loan sanctioned	Reason
SBI Charge	1. Equipment machinery	Bengaluru	30 days	13 February 2023	15 March 2023	30 March 2023	500	Technical issue in the MCA portal
	2. Inventories							
	3. Trade receivable							
	4. Trade payable							
	5. Current assets							
ICICI Charge	1. Equipment machinery	Bengaluru	30 days	28 March 2023	27 April 2023	05 July 2023	220	Technical issue in the MCA portal
	2. Inventories							
	3. Trade receivable							
	4. Trade payable							
	5. Current assets							

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

47 Significant accounting ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023:

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% of change	Reason
Current ratio	Current assets	Current liabilities	2	3	-39%	Refer note (iii) below
Debt- equity ratio	Total debt ¹	Shareholder's equity	0	0	17%	-
Debt- service coverage ratio	Earnings available for debt service ²	Debt service ³	1	1	-19%	-
Return on equity ratio	Net profits after taxes	Average shareholder's equity	0	0	74%	Refer note (ii) below
Inventory turnover ratio	Cost of goods sold	Average inventory	3	3	-3%	-
Trade receivables turnover ratio	Revenue from operations ⁴	Average trade receivable	5	5	-14%	-
Trade payables turnover ratio	Total purchase ⁵	Average trade payables	6	6	5%	-
Net capital turnover ratio	Revenue from operations ⁴	Working capital ⁶	3	2	24%	-
Net profit ratio	Net Profit after taxes	Revenue from operations ⁴	7%	4%	77%	Refer note (ii) below
Return on capital employed	Earning before interest and taxes	Capital employed ⁷	11%	8%	37%	Refer note (i) below
Return on investment	Income generated from investments	Weighted average Investments	NA	NA	NA	-

¹ Debt includes current and non current portion of lease liabilities.

² Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plant and equipment, etc.

³ Debt service includes interest & lease payments.

⁴ Revenue from operations means gross credit sales after deducting sales return.

⁵ Total purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

⁶ Working capital is calculated by deducting current liabilities from current assets.

⁷ Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset

Explanations for variances change more than 25%:

- Increase in Earning before interest and taxes of the Company during the year has resulted in movement in this ratio.
- Increase in Profit of the Company during the year has resulted in movement in this ratio.
- Increase in current liabilities of the Company during the year has resulted in movement in this ratio.

48 As required under Section 186(4) of the Companies Act 2013, the particulars of loans and advances made during the year and which are outstanding as at year-end are as follows :

Name of the entity and relationship with the Company	Rate of interest	Due date	31 March 2024	31 March 2023
Stanley OEM Sofas Limited, Subsidiary Company	12.70%	01-04-2029	50	100

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

49 Relationship with struck of companies

The Company has not entered any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies,1956 except following:

Name of the struck of companies	Nature of balances	31 March 2024	31 March 2023
Kaymo Fastener Company	Trade payable	1	
TNT India Private Limited	Expense	-	0

Name of the struck of companies	Nature of balances	31 March 2024	31 March 2023
Kaymo Fastener Company	Trade payable	0	
RNS Motors Pvt Limited	Advance to supplier	0	-

50 Details of Corporate Social Responsibility (CSR) expenditure

Particulars	31 March 2024	31 March 2023
(a) Gross amount required to be spent by the Company during the year as per Section 135 of the Act.	3	2
(b) Amount spent during the year:		
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above (Promotion of education and prevention of child labor)	-	1
(c) Details related to spent / unspent obligation		
(i) Construction / Acquisition of any asset	-	-
(ii) Unspent amount relating to		
- Ongoing project*	-	2
- Other than ongoing project*	3	0

* During the period the Company has transferred an amount of Rs 0.16 million (March 31, 2023; Rs 2 million) to the contractor engaged for the Kundalhalli School Project, against which the final approval has not been received and the amount transferred will be considered as a unspent CSR amount. Also there is an amount of Rs 2 million received from contractor engaged for the wild cane project, against which the completion certificate is not received, hence the amount will be considered as unspent CSR amount and received subsequently from the contractor.

Details of other than ongoing project

31 March 2024

Opening balance	Amount required to be spent during the year	Amount			Closing balance		
		From Company's bank account	From Separate CSR unspent account	With Company	With Company	Excess in unspent account	Excess in unspent account
2	4	-	(3)	-	-	1.92	-

* During the year we have received back Rs 2 Million from Wild cane project and Rs 2 Million from AAYS Technologies which has been given in FY 2021-22 and FY 2022-23, respectively through CSR Unspent account for the contribution of FY 2020-21 and 2021-22, respectively.

31 March 2023

Opening balance	Amount required to be spent during the year	Amount			Closing balance		
		From Company's bank account	From Separate CSR unspent account	With Company	With Company	In separate CSR unspent account	Excess in unspent account
2	2	1	2	-	-	2	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

50 Details of Corporate Social Responsibility (CSR) expenditure (Contd..)

Movement in provision for CSR:

Particulars	31 March 2024	31 March 2023
Balance at the beginning of the year	2	2
Provision made during the year*	3	2
Refund received for non utilising the amount	4	-
Provision utilised during the year	(3)	(2)
Balance at the end of the year	7	2

* Provision made during the financial year ended 31 March 2024 is transferred to PM care fund of Rs 3 Million on 16 July 2024.

51 Employee Stock Options

Employee Stock Option Plan 2022 ("ESOP 2022")

The Company established the Employee Stock Option Plan 2022 ("ESOP 2022") with effect from 30 September 2022 as approved vide Board Resolution dated 6 September 2022 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under ESOP 2022 have been issued and exercised.

Pursuant to the ESOP 2022, the Company has granted options to the employees of the Company and employees of subsidiary Company and Companies forming part of the Company, which would vest to the employees as per the terms of the Grant Letter.

Particulars	Stanley Lifestyle Stock Option plan 2022		
	Bucket A	Bucket B	Bucket C
Date of grant	16 November 2022	16 November 2022	04 January 2024
No. of options granted	36,662	4,565	1,80,836
No. of options granted post impact of split of equity shares and issue of equity bonus shares	2,56,634	32,028	1,80,836
Method of settlement	Equity	Equity	Equity
Vesting period	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%
Exercise period	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date
Vesting conditions	Continues services and performance	Continues services and performance	Continues services and performance
Exercise price per option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs. 850	Rs. 10	Rs. 156
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs. 901	Rs. 1,403	Rs. 312
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares	Rs.129	Rs 200	Rs. 312

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

51 Employee Stock Options (Contd..)

Particulars	Bucket A			Bucket B			Bucket C		
	31 March 2024	Weighted average	31 March 2023*	31 March 2024	Weighted average	31 March 2023*	31 March 2024	Weighted average	31 March 2023*
Opening balance	36,662	850	-	4,565	10	-	-	-	-
Granted during the year	-	-	36,912	-	-	4,803	1,80,836	135	-
Increase consequent to split of equity shares and issue of bonus shares to equity share holders (refer note 56)**	2,19,972	121	-	27,463	2	-	-	-	-
Forfeited during the year	(33,481)	121	(250)	-	-	(238)	-	-	-
Exercised during the year***	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year*	2,23,153	121	36,662	32,028	2	4,565	1,80,836	135	-

* Weighted average exercise price for options exercised during the year Rs. Nil (31 March 2023: Rs. 850 and Rs. 10)

** Consequent to split of one option into five options and then two bonus options for every five options the numbers has been updated.

*** Total 51,647 options [45,241 options of Bucket A, 6,406 options of Bucket B] has been vested but not yet exercised as on 16 November 2023.

Fair value of share options grant

The fair value of the share options granted is estimated at the grant date using the option pricing model (Black Scholes), taking into account the terms and conditions upon which the share options were granted.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Bucket A	Bucket B	Bucket C	Bucket A	Bucket B	Bucket C
Exercise price of options granted during the period/year ended	Rs 121	Rs 2	Rs 156.00	Rs. 850	Rs. 10	-
Risk free rate of return	7.32%	7.32%	7.25%	7.32%	7.32%	-
Life of the options granted (vesting and exercise period) in years	4 years	4 years	4 years	4 years	4 years	-
Volatility	16.06%	16.06%	50.00%	16.06%	16.06%	-

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expense arising from equity-settled share-based payment transactions	8	3

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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- (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- (iii) The Company has not traded or invested in crypto currency or virtual currency during the financial period.
- (iv) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

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- A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (intermediaries) with the understanding that the Intermediary shall:
 - 1) 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
 - 2) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- B) The Company has not received any fund from any persons or entities, 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.

54 The Company has maintained proper books of account as required by law except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India.

55 The Company has undertaken the following changes to share capital:

- (i) The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company a subdivision of authorised share capital from 75,00,000 equity shares having a face value of Rs. 10 each per equity share to 3,75,00,000 equity shares having a face value of Rs. 2 each per equity share in terms of Sections 13, 61, and 64 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- (ii) The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, an increase in the authorised share capital from Rs. 75 million to Rs. 150 million in terms of Section 61 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

55 (Contd..)

- (iii) The Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, a bonus share in the proportion of 2 new bonus shares of Rs 2 each per equity share for every 5 existing fully paid-up equity shares of Rs 2 each, by capitalisation an amount of Rs 29.48 million in terms of Sections 63 and 123(5) and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- (iv) The Company's Board of Directors, at its meeting held on 22 August 2023, proposed/recommended to the members of the Company amending the employee stock option scheme of the Company, namely, Stanley Lifestyles Limited Employee Stock Option Plan 2022, to comply with the requirements of the Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB & SE Regulations"), as amended, which was further approved by the members in the annual general meeting.

56 The Company evaluated all events or transactions that occurred after 31 March 2024 up through 19 July 2024, the date the financial statements were authorized for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements other than as below:

1. The Company's equity shares have been listed on Bombay Stock Exchange Limited ("BSE") and on National Stock Exchange of India Limited ("NSE") on June 28, 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs.2 each at an issue price of Rs 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

57 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 the Code becomes effective.

**For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED**

Sunil Suresh
Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Pradeep Mishra
Chief Financial Officer

Akash Shetty
Company Secretary &
Compliance officer
FCS No: 11314

Place: Bengaluru
Date: 19 July 2024



**Consolidated
Financial
Statements**

Independent Auditor's Report

To
The Members of
Stanley Lifestyles Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Stanley Lifestyles Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, 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 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon which 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 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation 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 cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls 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 Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of

our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 398 million as at March 31, 2024, total revenues of Rs. 227 million and net cash outflows amounting to Rs. 4 million for the year ended on that date, as considered in the consolidated financial statements. 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

1. 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 the separate financial statements of the subsidiaries, referred to in the Other Matters section above 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 purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law maintained by the Group including relevant records 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, except (a) for not keeping backup on a daily basis of such

books of account maintained in electronic mode in a server physically located in India by the Parent and its subsidiaries, (refer Note 49A to the consolidated financial statements) and (b) in relation to compliance with the requirements of audit trail, refer paragraph (i) (vi) below.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those Companies.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act, as applicable.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the

best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. - Refer Note 38 to the consolidated financial statements.
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies incorporated in India.
- iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their Knowledge and belief, as disclosed in the note 48A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of its subsidiaries, to or in any other person(s) or entity(ies), including foreign entities("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent and its subsidiaries, associates and joint ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, to the best of their knowledge and belief, as disclosed in the note 48B to the consolidated financial statements, no funds have been received by the Parent or

any of such subsidiaries from any person or entity including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Based on our examination, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Parent Company and its subsidiary companies incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2024, wherein:
 - a) In respect of the Parent Company and two subsidiary companies, the accounting software did not have the audit trail feature enabled throughout the year, and
 - b) In respect of five other subsidiary companies, the accounting software did not have a feature of recording audit trail (edit log) facility. (Refer note 49 of the consolidated financial statements)

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Stanley Lifestyles Limited	U19116KA2007PLC044090	Parent Company	Clause ii(b)
Stanley Retail Limited	U52599KA2008PLC046573	Subsidiary	Clause ii(b) Clause ix(a)
Stanley OEM Sofas Limited	U74900KA2015PLC084973	Subsidiary	Clause ii(b)

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sandeep Kukreja

Partner

(Membership No. 220411)

(UDIN: 24220411BKERMU2582)

Date: July 19, 2024

Place: Bengaluru

SK/TG/2024

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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”)

In conjunction with our audit of the consolidated Ind AS Financial Statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Stanley Lifestyles Limited** (hereinafter referred to as “the Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent ,and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/ W-100018)

Sandeep Kukreja

Partner

(Membership No. 220411)

(UDIN: 24220411BKERMU2582)

Date: July 19, 2024

Place: Bengaluru

SK/TG/2024

Consolidated Balance sheet

as at 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4(a)	840	705
Right of use assets	5	1,557	1,245
Capital work-in-progress	4(d)	382	12
Intangible assets	4(b)	43	29
Intangible assets under development	4(c)	16	11
Goodwill on consolidation	4(e)	26	37
Financial assets			
(i) Other financial assets	6	143	116
Current tax assets (net)	13	33	26
Deferred tax assets (net)	7	128	107
Other non-current assets	8	24	24
Total non-current assets		3,192	2,312
Current assets			
Inventories	9	1,422	1,214
Financial assets			
(i) Trade receivables	10	257	165
(ii) Cash and cash equivalents	11	71	97
(iii) Bank balances other than (ii) above	12	455	637
(iv) Other financial assets	6	22	45
Other current assets	8	223	111
Total current assets		2,450	2,269
Total assets		5,642	4,581
Equity and liabilities			
Equity			
Equity share capital	14	103	74
Other equity	15	2,367	2,091
Total equity attributable to equity holders		2,470	2,165
Non controlling interests	15	111	73
Total equity		2,581	2,238
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	9	2
(ii) Lease liabilities	34	1,554	1,251
(iii) Asset retirement obligations	4(f)	49	39
Provisions	17	9	11
Total non-current liabilities		1,621	1,303
Current liabilities			
Financial liabilities			
(i) Borrowings	16	262	91
(ii) Lease liabilities	34	218	168
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	18	34	79
b) Total outstanding dues of creditors other than micro and small enterprises	18	465	359
(iv) Other financial liabilities	19	172	0
Other current liabilities	20	248	297
Provisions	17	25	27
Current tax liabilities (net)	21	16	19
Total current liabilities		1,440	1,040
Total liabilities		3,061	2,343
Total equity and liabilities		5,642	4,581

The notes 1-53 are an integral part of these Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Stanley Lifestyles Limited

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

Shubha Suni

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
I Revenue from operations	22	4,325	4,190
II Other income	23	113	66
III Total income		4,438	4,256
IV Expenses			
a) Cost of materials consumed	24	1,743	2,043
b) Purchase of stock-in-trade	25	360	108
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(110)	(108)
d) Employee benefits expense	27	572	495
e) Finance costs	28	191	147
f) Depreciation and amortisation expense	29	381	282
g) Other expenses	30	911	825
V Total expenses		4,048	3,792
Profit before tax (III - IV)		390	464
VI Tax expenses			
a) Current tax	31	120	144
b) Deferred tax charge/ (credit)	31	(21)	(26)
c) Short/(excess) provision of tax relating to earlier years	31	0	(4)
Total tax expenses		99	114
VII Profit for the year		291	350
Profit/(Loss) attributable to non controlling interest	15	(10)	21
Profit attributable to owners		301	329
VIII Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans	36	(2)	2
Income tax effect on above	31	1	(1)
Other comprehensive income for the year, net of tax		(1)	1
Other comprehensive income/(losses) attributable to non controlling interest		(0)	(0)
Other comprehensive income attributable to owners		(1)	1
IX Total comprehensive income (net of tax) for the year/period		290	352
Total comprehensive income/(losses) attributable to non controlling interest		(10)	21
Total comprehensive income attributable to owners		300	331
Earnings per equity share (EPS)			
- Basic (in Rs) (face value of share Rs. 2/-)	42	5.83	6.39
- Diluted (in Rs) (face value of share Rs. 2/-)	42	5.80	6.38

The notes 1-53 are an integral part of these Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Stanley Lifestyles Limited

Sandeep Kukreja

Partner

Membership No. 220411

Sunil Suresh

Managing Director

DIN 01421517

Shubha Suni

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flows from operating activities:			
Profit before tax for the year		390	464
Adjustments for:			
Depreciation and amortisation expenses	29	381	282
Bad debts	30	1	1
Provision for credit allowances	30	(9)	7
Provision for supplier advances	30	1	-
Unrealised foreign exchange (gain)/ loss (net)		0	(0)
Liabilities no longer required written back	23	(17)	(16)
Provisions for warranty	30	5	3
Share based payment expense	27	17	7
Gain or loss on modification of leases	23	(28)	-
(Gain)/ loss on sale of property, plant and equipment (net)	30 & 23	16	(3)
Finance costs	28	191	147
Interest income	23	(55)	(36)
Cash flows from operating activities before working capital changes		893	856
Change in assets and liabilities			
Adjustments for (increase)/ decrease in assets:			
Inventories		(208)	(32)
Trade receivables		(83)	16
Financial assets		(18)	(31)
Other assets		(113)	19
Adjustments for increase/ (decrease) in liabilities:			
Trade payables		77	(35)
Financial liabilities		(0)	-
Provisions		(12)	(4)
Other current liabilities		(46)	26
Cash generated from operations		490	816
Income taxes paid (net)		(128)	(135)
Net cash flow from operating activities		362	680
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress, capital advances and capital creditors)		(488)	(303)
Proceeds from sale of property, plant and equipment		13	4
Investment in Goodwill		-	(10)
Advance received		-	(2)
Changes in Non Controlling Interest		-	(6)
Investment in intangible assets under development		(16)	(11)
Proceeds from bank deposits		183	6
Interest received		45	48
Net cash used in investing activities		(263)	(274)
C Cash flows from financing activities			
Payment of lease rentals (refer note(a) below)	34	(166)	(132)
Interest on lease rentals (refer note (a) below)	34	(163)	(122)
Proceeds from short term borrowings (net) (refer note (a) below)		226	47
Repayment of borrowings (refer note (a) below)		-	(15)
Processing fees for working capital borrowings (refer note (a) below)		-	(1)
Interest paid on borrowings (refer note (a) below)		(22)	(19)
Dividend paid (refer note (a) below)		-	(170)
Net cash from/ (used) in financing activities		(125)	(412)
Net increase / (decrease) in cash and cash equivalents		(26)	(6)
Cash and cash equivalents at the beginning of the year	11	97	103
Cash and cash equivalents at the end of the year		71	97

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	11	68	96
(ii) Cash on hand	11	3	1
Cash and cash equivalents at the end of the year		71	97

Note:

a. Reconciliation of movements of cash flow from financing activities

As at 31 March 2024

Particulars	31 March 2023	Non-cash changes		Cash flows	31 March 2024
		Finance cost accrued during the year	Additions (Net)		
Borrowings	93	-	(48)	226	271
Lease liabilities	1,419	163	519	(329)	1,772
Interest on overdraft facility	-	22	-	(22)	-
Total	1,512	185	471	(125)	2,043

As at 31 March 2023

Particulars	31 March 2022	Non-cash changes		Cash flows	31 March 2023
		Finance cost accrued during the year	Additions (Net)		
Borrowings	61	-	-	32	93
Dividend	-	-	170	(170)	-
Processing fees for working capital borrowings	-	1	-	(1)	-
Lease liabilities	1,236	122	315	(254)	1,419
Interest on overdraft facility	-	19	-	(19)	-
Total	1,297	142	485	(412)	1,512

- (b) Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

The notes 1-53 are an integral part of these Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

Sandeep Kukreja

Partner

Membership No. 220411

Place: Bengaluru

Date: 19 July 2024

Sunil Suresh

Managing Director

DIN 01421517

Place: Bengaluru

Date: 19 July 2024

For and on behalf of the Board of Directors

Stanley Lifestyles Limited

Shubha Suni

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

A. Equity share capital

As at 31 March 2024

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
74	29	103

As at 31 March 2023

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
74	-	74

B. Other Equity

Particulars	Attributable to equity share holders of the Parent					Non controlling interest
	Reserve and surplus			Items of other comprehensive income (OCI)	Total other equity attributable to equity holders of the Parent	
	Securities premium reserve	Retained earnings	Employee stock option reserve	Remeasurement of defined benefit plans		
As at 01 April 2022	1,163	750	-	11	1,924	58
Profit for the year	-	329	-	-	329	21
Dividend paid	-	(170)	-	-	(170)	-
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	(6)
Share based payment expense	-	-	7	-	7	-
Re-measurement gain/loss defined benefit plans (net of tax)	-	-	-	1	1	(0)
As at 31 March 2023	1,163	909	7	12	2,091	73
Add / (Less):						
Movement during the year	(30)	-	-	-	(30)	-
Profit for the year	-	301	-	-	301	(10)
Adjustment in Goodwill	-	(11)	-	-	(11)	-
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	48
Share based payment expense	-	-	17	-	17	-
Re-measurement gain/loss defined benefit plans (net of tax)	-	-	-	(1)	(1)	-
As at 31 March 2024	1,133	1,199	24	11	2,367	111

The notes 1-53 are an integral part of these Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No. 117366W/W-100018

For and on behalf of the Board of Directors

Stanley Lifestyles Limited

Sandeep Kukreja

Partner

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Sunil Suresh

Managing Director

DIN 01421517

Shubha Suni

Whole Time Director

DIN 01363687

Pradeep Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 19 July 2024

Place: Bengaluru

Date: 19 July 2024

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

1 General Information / Corporate information

Stanley Lifestyles Limited ("the Group" or "the Holding Group" or "SLL" or "Parent") was incorporated on 11 October 2007 as a public limited Group under the provisions of the Companies Act with its registered office in Bengaluru, India. The Group together with its subsidiaries (Collectively referred to as "the Group") is primarily engaged in the business of manufacturing and trading of furniture and leather products.

The Group is incorporated and domiciled in India under the provisions of the Companies Act, applicable in India. The registered office of the Group is located at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100, India.

The Group's consolidated financial statements for the year ended 31 March 2024 were authorized by Board of Directors on 19 July 2024.

2 Basis of preparation and presentation of Consolidated Financial Statement

2.1 Material accounting policies adopted by the Group are as under:

(a) Basis of preparation and statement of compliance
The Consolidated Financial statement of the Group comprise of the Consolidated Balance sheet as at 31 March 2024, the Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Consolidated Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2024 and the summary of material accounting policies and explanatory notes (collectively, "the Consolidated Financial Statement").

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

Principles of Consolidation

The Consolidated Financial Statement comprise the financial statements of the Parent and its subsidiaries for the year ended 31 March 2024. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the current ability to direct the relevant activities of the entity that significantly affect the entity's returns. 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 affect its returns.

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. 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 rights holders.

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

acquired or disposed of during the year are included in the Consolidated Financial Statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statement 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 information for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial information in preparing the consolidated financial information to ensure conformity with the group's accounting policies.

The Consolidated Financial Statement of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group for the year ended 31 March 2024.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) 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 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.

Consolidated Statement of Profit and Loss account 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 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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

AS's). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost of initial recognition of an investment in an associate or a joint venture.

Sl. No.	Name of the entity*	Relationship	Ownership at 31 March 2024 held by	% ownership held either directly or through subsidiaries	
				As at 31 March 2024	As at 31 March 2023
1	Stanley Retail Limited ("SRL")	Subsidiary	SLL	100.00%	100.00%
2	Stanley OEM Sofas Limited ("SOSL")	Subsidiary	SLL	100.00%	100.00%
3	ABS Seating Private Limited ("ABS")	Subsidiary	SLL	67.00%	67.00%
4	Scheek Home Interiors Limited ("Scheek")	Subsidiary	SRL	100.00%	100.00%
5	Shrasta Decor Private Limited ("Shrasta")	Subsidiary	SRL	55.95%	55.95%
6	Sana Lifestyles Limited ("Sana")	Subsidiary	SRL	100.00%	100.00%
7	Staras Seating Private Limited ("Staras")	Subsidiary	SRL	100.00%	100.00%

*Country of incorporation - India

(b) Basis of measurement

The Consolidated Financial Statement have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- Embedded derivatives and
- Asset classified as held for sale.

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of Consolidations financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Consolidated Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Consolidated Balance Sheet date. The estimates and assumptions used in the acGrouping financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results

could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

- Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost includes its purchase price, including import duties and other non-refundable taxes or levies (for Leasehold improvements and Vehicles, Goods and Services Tax is not availed but added to the cost of acquisition or construction), freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.
- Subsequent expenditures related to an item of tangible property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- The cost of property, plant and equipment not ready for their intended use at the Consolidated Balance Sheet date are disclosed as capital work in progress
- Advances paid towards the acquisition of property, plant and equipment, outstanding at each Consolidated Balance Sheet date are disclosed as 'capital advances' under 'non other current assets'.
- Assets received on amalgamation are recorded at its fair value.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

- f) Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of fixed assets as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Assets individually costing up to Rupees five thousand are not capitalized.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Consolidated Statement of Profit and Loss account.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and

the exchange differences are recognised in the Consolidated Statement of Profit and Loss account.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

2.4 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each Consolidated 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 accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

2.5 Revenue Recognition

Revenue is measured at amount of transaction price (net of variable consideration) received or receivable when control of the goods is transferred to the customer and there are no unfulfilled performance obligations as per

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

the contract with the customers. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue excludes taxes collected from customer which have to be subsequently remitted to the Government authorities.

The Group recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Group satisfies a performance obligation.

Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods and all significant risks and rewards of their ownership are transferred to the customer which generally coincides with delivery to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognised as revenue is exclusive of GST and net of trade and quantity discounts.

The Group presents revenues gross of indirect taxes in its Consolidated Statement of Profit and Loss account.

Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income is recognised using the time-proportion method, based on underlying interest rates. When calculating EIR, ECL is not considered. Performance obligation- satisfied at a point in time.

2.6 Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current tax relating to items recognised outside consolidated statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss account (either in OCI or Other Equity.)

(b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss account . The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Consolidated Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(c) Deferred tax

Deferred income tax is provided in full, using the Consolidated Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Consolidated Statement of Profit and Loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. ROU

assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

2.8 Inventories

Inventories are valued at lower of cost (weighted average method) and net realisable value after providing for obsolescence and other losses, where considered necessary. For traded goods purchase costs include cost of purchase and other costs bringing inventory to their location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of certain aero structures, components, work-in-progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.

In determining the cost of raw materials, components, stores, spares and loose tools, the Moving average method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Usage is FIFO. For smaller entities, value is purchases cost itself. Work-in-progress is valued at a sum of the raw material cost and a percentage for overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

2.9 Impairment of non-financial assets

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in the Consolidated Statement of Profit and Loss account and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously

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recognised impairment loss is reversed through the Consolidated Statement of Profit and Loss account.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its net selling price. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

In determining net selling price, recent market transactions are taken into account, if available no such transactions can be identified, an appropriate valuation model is used.

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Consolidated Balance Sheet date

These are reviewed at Consolidated Balance Sheet date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Profit and Loss account as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in

the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.11 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets up to the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss account in the year in which they are incurred.

2.12 Cash and cash equivalents

Cash and cash equivalent in the Consolidated Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents includes deposits maintained by the Group with banks, which can be withdrawn by the Group at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

2.13 Cash flow statements

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

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2.14 Investment in Subsidiary

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

- (a) at cost, or
- (b) in accordance with Ind AS 109.

Group accounts for its investment in subsidiary at cost.

2.15 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.

(a) Financial assets

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.

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost:

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Fair Value Through Other Comprehensive Income (FVOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Fair Value Through Profit or Loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Consolidate Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Group

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had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension

etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Consolidated Statement of Profit and Loss account. In Consolidated Balance Sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when :

- a) the rights to receive cash flows from the financial asset is transferred; or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

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(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortized cost

If (a) eliminates / reduces measurement & (b) The Financial liabilities performance evaluation on fair value basis.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

(iii) De-recognition

A financial liability is de-recognized 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss account as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to

settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Consolidated Balance Sheet.

(b) Defined contribution plan

The Group makes defined contribution to provident fund and superannuation fund, which are recognised as an expense in the Consolidated Statement of Profit and Loss account on accrual basis. The Group has no further obligations under these plans beyond its monthly contributions.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Consolidated Statement of Profit and Loss account.

(c) Defined benefit plans

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise. Re-measurement of the net defined liability comprising actuarial gains & loss are recognised in

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OCI, such remeasurements are not classified to the consolidated profit and loss in the subsequent periods. Compensated absences are not to be carried forward beyond 12 months are paid monthly.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings 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 is adjusted for the effects of all dilutive potential equity shares.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, Mr. Sunil Suresh (Managing Director) regularly monitors and reviews the operating results separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Group has considered business segments as the primary segments for disclosure. The business segment in which the Group operates is 'manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories'. The Group does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the Material accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Group operates in a single business segment of namely manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories

2.19 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act, unless otherwise stated.

3 Material accounting judgments, estimates and assumptions and recent pronouncements

The preparation of Consolidated Financial Statement requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping 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 years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. 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.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45. Equity-settled transactions: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the

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period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 42.

(c) Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

3.2 Recent pronouncements

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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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4(a) Property, plant and equipment

As at 31 March 2024

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value		
	As at 1 April 2023	Additions	Disposals/ adjustments (Refer note 50)	As at 31 March 2024	Depreciation for the period	Disposals/ adjustments (Refer note 50)	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Leasehold improvements	564	153	33	684	65	11	135	549	483
Plant and machinery	129	39	2	166	19	1	49	117	98
Electrical equipment	53	39	6	86	8	3	13	73	45
Furniture and fixtures	38	19	1	56	5	1	9	47	33
Office equipment	20	4	0	24	4	0	10	14	14
Computers	16	7	0	23	6	0	12	11	11
Vehicles	24	15	6	33	4	2	4	29	22
Total	844	276	48	1,072	111	18	232	840	705

As at 31 March 2023

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value		
	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	Depreciation for the year	Disposals/ adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold improvements	351	213	0	564	48	0	81	483	318
Plant and machinery	114	15	0	129	17	-	31	98	100
Electrical equipment	34	20	1	53	5	1	8	45	30
Furniture and fixtures	21	17	-	38	4	-	5	33	20
Office equipment	13	8	1	20	3	0	6	14	10
Computers	9	7	-	16	4	-	6	10	7
Vehicles	30	0	6	24	5	6	2	22	27
Total	572	280	8	844	86	7	139	705	512

Note:

1. There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2022 till year ended 31 March 2024.

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4(b) Intangible assets

As at 31 March 2024

Particulars	Gross carrying value		Accumulated depreciation		Net carrying value	
	As at 1 April 2023	As at 31 March 2024	As at 1 April 2023	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
	As at 1 April 2023	As at 31 March 2024	As at 1 April 2023	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
	36	42	7	13	29	29
Computer software	6	6	6	6	29	29
Licenses and Trademarks	16	16	2	2	14	14
Total	36	58	7	15	43	29

As at 31 March 2023

Particulars	Gross carrying value		Accumulated amortisation		Net carrying value	
	As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	As at 1 April 2022	As at 31 March 2023	As at 1 April 2022	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
	13	36	5	7	29	8
Computer software	23	36	2	7	29	8
Total	13	36	5	7	29	8

Note:

- There has been no revaluation of intangible assets during the financial year beginning from 1 April 2022 till year ended 31 March 2024.

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4(c) Intangible assets under development

As at 31 March 2024

Particulars	As at 1 April 2023	Additions	Disposals	As at 31 March 2024
New product under development	11	16	11	16
Total	11	16	11	16

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Disposals	As at 31 March 2023
New product under development	-	11	-	11
Total	-	11	-	11

Note: The Group has incurred the above costs for the development of new design of sofas and furniture. However, as the Group has not registered the trademark before 31 March 2024, the same has not been capitalised.

Projects in Progress	Amount for Intangibles under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023	11	-	-	-	11
As at 31 March 2024	16	-	-	-	16

Note: There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

4(d) Capital Work in progress

As at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress*	382	-	-	-	382
Total	382	-	-	-	382

The Parent Company has entered into an agreement on September 01, 2023 with Mr. Sunil Suresh (Managing Director of the Company) to purchase the 'Stanley' Trademark and Copyright at an agreed price of Rs. 443 million (inclusive of GST). The amount was to be paid in various tranches so as to complete the entire payment by September 30, 2024. The Company paid the agreed amount by March 31, 2024 which was Rs 275 million, thereby complying with the payment schedule as per the signed agreement. The Group has applied for the registration of a trademark in the name of the Group on August 19, 2023, however, the registration of Trademark and Copyright is still pending and therefore the amount has been classified under capital work in progress.

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	12	-	-	-	12
Total	12	-	-	-	12

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4(d) Capital Work in progress (Contd..)

Ageing for Capital work in progress

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023	12	-	-	-	12
As at 31 March 2024	382	-	-	-	382

Note: There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

4(e) Goodwill on consolidation

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	37	27
Adjustment during the year	(11)	-
Additions as part of additional stake acquired during the year	-	10
Closing balance	26	37

4(f) Assets retirement obligations

Particulars	As at 31 March 2024	As at 31 March 2023
Assets retirement obligations	49	39

5 Right of use Assets (refer note 34)

Particulars	Amount
Gross carrying amount	
Balance as at 01 April 2022	1,736
Additions	333
Deductions	-
Balance as at 31 March 2023	2,069
Additions	637
Deductions	(158)
Balance as at 31 March 2024	2,548
Accumulated depreciation	
Balance as at 01 April 2022	630
Additions	194
Deductions	-
Balance as at 31 March 2023	824
Additions	262
Deductions	(95)
Balance as at 31 March 2024	991
Net carrying amount	
Written down value as at 31 March 2023	1,245
Written down value as at 31 March 2024	1,557

Note:

- The aggregate depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the Consolidated Statement of Profit and Loss account.
- There has been no revaluation of right-of-use assets during the financial year beginning from 1 April 2022 till year ended 31 March 2024.

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6 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(Unsecured, considered good)		
Security deposits at amortised cost		
- related party (refer note 37)	2	-
- Others	141	116
	143	116
Current		
(Unsecured, considered good)		
Security deposits	14	33
Interest accrued on fixed deposits	6	9
Other receivables	2	2
Advance to employees	0	1
Advance to employee		
	22	45

7 Deferred tax assets (refer note 31)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets:		
Property plant and equipment	10	1
Provision for employee benefits	4	5
Provision for expected credit loss	12	4
Provision for bonus	5	8
Lease liabilities (net)	87	72
Others	10	17
	128	107
Deferred tax assets (net)	128	107

8 Other assets

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
(Unsecured, considered good)		
Dues paid under protest	7	7
Capital advances	17	17
Prepaid expenses	0	0
	24	24
Current		
(Unsecured, considered good)		
Advances to suppliers	57	80
Prepaid expenses*	103	6
Gratuity fund balance	1	0
Balance with statutory/ government authorities	43	25
Insurance claim	19	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

8 Other assets (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
(Unsecured considered doubtful)		
Advances to suppliers	1	-
Less: Provision for supplier advances	(1)	-
	-	-
	223	111

*Note: Prepaid expenses includes amount of Rs. 93 millions that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders based on the final valuation arrived before the RHP filing.

9 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials (at cost)*	463	365
Work-in-progress	65	54
Finished goods**	894	795
	1,422	1,214

* including goods in transit of Rs. 95 million (31 March 2023 Rs. 43 million)

** including goods in transit of Rs. 0.25 million (31 March 2023: Nil)

10 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good		
- related party (refer note 37)	9	9
- others	248	156
	257	165
Unsecured, considered doubtful		
Credit impaired		
- related party (refer note 37)	6	7
- others	22	35
Less: Allowance for expected credit loss ("ECL")	(28)	(42)
	-	-
	257	165

A. Trade receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	251	6	0	-	257
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	8	6	1	13	28
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	259	12	1	13	285
Less: Allowance for credit loss	(8)	(6)	(1)	(13)	(28)
Total trade receivables as at 31 March 2024	251	6	0	-	257

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

10 Trade receivables (Contd..)

B. Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	161	4	-	-	165
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	21	6	7	8	42
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	182	10	7	8	207
Less: Allowance for credit loss	(21)	(6)	(7)	(8)	(42)
Total trade receivables as at 31 March 2023	161	4	-	-	165

Notes:

- a) Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days
- b) **Movement in credit loss allowance**

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	42	35
Debtors written off during the year	(5)	-
Change in provision during the year (refer note 30)	(9)	7
Balance at the end of the year	28	42

11 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	3	1
Balances with banks		
- in current accounts	68	96
	71	97

12 Other balances with banks

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with original maturity of more than 3 months but less than 12 months (refer note a & b below)	455	637
	455	637

Note:

- a. Deposit accounts includes Rs. 8 million (31 March 2023: Rs 8 million) against the bank guarantee and Rs. 7 million (31 March 2023: Rs. 3 million) placed against the letter of credit obtained by the Group.
- b. Deposit accounts includes Rs. 427 million (31 March 2023: Rs 155 million) lien against the working capital facility.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

13 Current tax assets (net)

Particulars	As at	As at
	31 March 2024	31 March 2023
Taxes paid	319	88
Less: Provision for tax	(286)	(62)
	33	26

14 Equity share capital

14.1 Particulars	As at	As at
	31 March 2024	31 March 2023
Authorized share capital		
7,500,000 [(31 March 2023: 7,500,000), equity shares of Rs 2/- each (31 March 2023 Rs 10/-each)]	150	75
	150	75
Issued, subscribed and fully paid-up equity shares		
51,597,168 [(31 March 2023: 7,371,024)] equity shares of Rs 2/- each (31 March 2023 Rs 10/-each)	103	74
	103	74

14.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	73,71,024	74	73,71,024	74
Sub-division i.e. split issue*	2,94,84,096	-	-	-
Issued during the year*	1,47,42,048	29	-	-
Total	5,15,97,168	103	73,71,024	74

*Refer 14.6 for split and issue of bonus shares

14.3 Details of shareholders holding more than 5% shares in the Company.

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- (31 March 2023 Rs 10/-each) each fully paid up				
Sunil Suresh	1,73,75,547	34%	24,82,221	34%
Shubha Sunil	1,73,75,533	34%	24,82,219	34%
Oman India Joint Investment Fund II	1,38,61,134	27%	19,80,162	27%

14.4 Details of promoters shareholding as required by Companies Act, 2013*

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- (31 March 2023 Rs 10/-each) each fully paid up				
Sunil Suresh	1,73,75,547	34%	24,82,221	34%
Shubha Sunil	1,73,75,533	34%	24,82,219	34%

* For the purpose of disclosure, definition of promoter as per the Companies Act, 2013 has been considered

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

14 Equity share capital (Contd..)

14.5 Rights, preferences and restrictions

The Parent has only one class of equity share having a par value of Rs 2 per share. Each holder of equity share is entitled to one vote per share. In event of liquidation of the Holding Company, the holders of equity shares would be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding 31 March 2024

For the period of five years immediately preceding the balance sheet date, there are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash or shares allotted as fully paid up by way of bonus shares or shares bought back except for issue of 14,742,048 bonus shares to existing shareholders on 19 June 2023.

Notes:

On 19 June 2023, the members of the Company approved the following transactions :

- The Parent Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company a subdivision of authorised share capital from 75,00,000 equity shares having a face value of Rs. 10 each per equity share to 3,75,00,000 equity shares having a face value of Rs. 2 each per equity share in terms of Sections 13, 61, and 64 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- The Parent Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, an increase in the authorised share capital from Rs.75 million to Rs. 150 million in terms of Section 61 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.
- The Parent Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, bonus issue in the proportion of 2 new bonus shares of Rs 2 each per equity share for every 5 existing fully paid-up equity shares of Rs 2 each, by capitalisation an amount of Rs 30 million in terms of Sections 63 and 123(5) and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

Consequent to above allotments, the paid-up equity share capital of the Parent Company stands increased from Rs. 74 Millions consisting of consisting of 73,71,024 equity shares of Rs. 10 each to Rs. 103 Millions consisting of 51,597,168 Equity Shares of Rs. 2 each. Earnings per equity share has been calculated for the current year after considering the total number of equity shares post subdivision and issue of bonus shares as per the provisions of the applicable Ind AS.

15 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium reserve		
Balance at the beginning of the year	1,163	1,163
Add/(less) : Movement during the year	(30)	-
Balance at the end of the year	1,133	1,163
Retained earnings		
Balance at the beginning of the year	909	750
Add: Profit for the year	301	329
Goodwill adjustment	(11)	-
Less: Dividend paid	-	(170)
Balance at the end of the year	1,199	909

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

15 Other equity (Contd..)

Particulars	As at 31 March 2024	As at 31 March 2023
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	12	11
Re-measurement defined benefit plans (net)	(1)	1
Balance at the end of the year	11	12
Employee stock option plan		
Balance at the beginning of the year	7	-
Share based payment expense (refer note 27)	17	7
Balance at the end of the year	24	7
Total Equity	2,367	2,091
Non Controlling Interest		76
Opening balance	73	58
Profit for the year	(10)	21
Re-measurement defined benefit plans (net)	(0)	(0)
Adjustment in change on account of change in non controlling interest	48	(6)
Closing balance	111	73

Securities premium reserve

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Employee stock option plan

Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

16 Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Secured loans		
Term loan [refer note (a), (c), (d) and (e) below]	13	6
	13	6
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	4	4
	9	2
Current		
Loan from related party [refer note (f) below and refer note 37]	-	48
Secured loans		
Secured, overdraft facility [refer note (b) & (g) below]	258	39
Current maturities of term loan [refer note (a), (c), (d) and (e) below]	4	4
	262	91

Notes:

- a) The Group during the year ended 31 March 2022, has taken auto loan from HDFC bank for Rs. 8 million which is repayable in 39 equated monthly installments at the rate of interest of 7% per annum secured by hypothecation of vehicle.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

16 Borrowings (Contd..)

- b) Working capital facilities (fund based and non-fund based) aggregating to Rs. 1,091 million (As at 31 March 2023 Rs. 1,091 million) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works and lien on bank deposit of Rs. 405 million (31 March 2023: Rs. 155 million).
- c) Vehicle loan from Kotak Mahindra Prime Ltd of Rs. Nil (31 March 2023: Rs. 1 million) including current maturities of long term debt Nil (31 March 2023: Rs. 1 million) carry interest at the 8.38% per annum (31 March 2023: 8.38%) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs. 50,875 each.
- d) Vehicle loan from HDFC Bank Limited of Rs. Nil (31 March 2023 Rs. 0.84 million) including current maturities of long term debt Rs. Nil (31 March 2023: Rs. 0.84 million) carry interest at the 7.5% per annum(31 March 2023: 7.5% per annum) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs. 38,989 each.
- e) Vehicle loan from ICICI Bank Limited of Rs. 11 million (31 March 2023: Rs. Nil) including current maturities of long term debt Rs. 2 million (31 March 2023: Rs. Nil) carry interest at the 9% per annum (31 March 2023: Nil) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs. 2,41,455 each.
- f) The Group during the year ended 31 March 2024 has taken borrowings from director of Rs. Nil, (31st March 2023 Rs. 48 Million) without specifying any terms or period of payment at the rate of interest 8% p.a. accrued on monthly basis.
- g) Working capital facility (fund based) aggregating of Rs. 21 million is secured by lien on bank deposit of Rs. 22 million, on which charge is not created as per the banker's instructions.
- h) The Group has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2022 to 31 March 2024 except as given below:

A. Stanley Retail Limited

Amount not paid on due date during the period (Rs.)		Due Date	Date of Payment	No. of days delay	Nature of Borrowing and lender income
Principal	Interest				
0.04	0.01	05-Apr-22	06-Apr-22	1	Vehicle Loan (Kotak Mahindra Bank)
0.04	0.01	05-May-22	09-May-22	4	
0.04	0.01	05-Jun-22	11-Jun-22	6	
0.04	0.01	05-Jul-22	09-Jul-22	4	
0.04	0.01	05-Aug-22	08-Aug-22	3	
0.04	0.01	05-Nov-22	07-Nov-22	2	
0.04	0.01	05-Jan-23	06-Jan-23	1	
0.04	0.01	05-Mar-23	06-Mar-23	1	
0.04	0.01	05-Apr-23	06-Apr-23	1	

B. Stanley Lifestyles Limited

Amount not paid on due date during the period (Rs.)		Due Date	Date of Payment	No. of days delay	Nature of Borrowing and lender income
Principal	Interest				
0.18	0.04	05-Jun-22	09-Jun-22	4	Vehicle loan (HDFC Bank)
0.18	0.04	05-Aug-22	12-Aug-22	7	
0.36	0.07	05-Jan-23	09-Jan-23	4	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

17 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provision for employee benefits		
Gratuity (refer note 35)	9	11
Compensated absences (refer note 35)	-	-
	9	11
Current		
Provision for employee benefits		
Gratuity (refer note 35)	1	11
Compensated absences (refer note 35)	10	4
Provision for warranty (refer note 43)	14	12
	25	27

Provision for warranties

A provision is recognised for expected warranty claims on products sold during the years, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

18 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues to micro and small enterprises (refer note 39)*	34	79
Total outstanding dues of creditors other than micro and small enterprises		
- related parties (refer note 37)	3	36
- others	462	323
	499	438

* Includes balances of related parties of 16 million. (31 March 2023: Rs. Nil)

A. Trade payables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	34	0	-	-	34
Undisputed dues to creditors other than micro and small enterprises	250	211	4	0	0	465
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
Total trade payable as at 31 March 2024	250	245	4	0	0	499

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

18 Trade payables (Contd..)

B. Trade payables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	79	-	-	-	79
Undisputed dues to creditors other than micro and small enterprises	140	217	2	0	0	359
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
Total trade payable as at 31 March 2023	140	296	2	0	0	438

Notes:

- For information required to be furnished as per Section 22 of the Micro, small, and medium Enterprises Development Act 2006 (MSMED Act) and Schedule III of the companies Act 2013, Refer note 39
- For details on transactions with related party, refer note 37
- Trade payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.
- Trade payables ageing is updated as per the invoice date.

19 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Dealer deposits	0	0
Capital Creditors	172	-
	172	0

20 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	212	242
Statutory dues	36	52
Capital creditors	-	3
	248	297

21 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for taxes	88	133
Less: Taxes paid	(72)	(114)
	16	19

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

22 Revenue from operations

Particulars	31 March 2024	31 March 2023
Sale of products		
- Manufactured goods	4,070	3,901
- Traded goods	240	252
- Raw materials	-	25
Other operating revenues	15	12
	4,325	4,190

*Include export sales of Rs 210 million (31 March 2023: Rs. 227 million)

Reconciliation of amount of revenue recognised in Consolidated Statement of Profit and Loss with contracted price:

Particulars	31 March 2024	31 March 2023
i. Sale of products		
Contract price	4,310	4,178
Revenue recognized	4,310	4,178
ii. Other operating revenue		
a. Commission income	-	1
b. Export incentive	15	11
iii. Contract balance		
a. Trade receivables (refer note 10)	257	165
b. Advance received from customers (refer note 20)	212	242

23 Other income

Particulars	31 March 2024	31 March 2023
Interest income on		
- Bank deposits	41	27
- Unwinding of security deposit	11	8
- Letter of credit margin	1	-
- Income tax refund	2	-
- Others	-	0
Rent including lease rentals	0	-
Gain or loss on modification of right to use asset	29	-
Gain from Insurance Claim	0	-
Profit on sale of property, plant and equipment	-	3
Foreign exchange difference (net)	5	11
Liabilities no longer required written back	17	16
Miscellaneous income	7	1
	113	66

24 Cost of materials consumed

Particulars	31 March 2024	31 March 2023
Inventories at the beginning of the year (refer note 9)	365	441
Add : Purchases made during the year		
- Related parties	87	107
- others	1,754	1,860
	2,206	2,408
Less : Inventories at the end of the year (refer note 9)	463	365
Total cost of materials consumed	1,743	2,043

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

25 Purchase of stock-in-trade

Particulars	31 March 2024	31 March 2023
Purchase of stock-in-trade	360	108
	360	108

26 Changes in inventories of finished goods and work-in-progress

Particulars	31 March 2024	31 March 2023
Inventories at the end of the year (refer note 9)		
Finished goods	894	795
Work-in-progress	65	54
	959	849
Inventories at the beginning of the year (refer note 9)		
Finished goods	795	666
Work-in-progress	54	75
	849	741
	(110)	(108)

27 Employee benefit expense

Particulars	31 March 2024	31 March 2023
Salaries, wages and bonus	498	434
Contribution to provident and other funds (refer note 35)	24	22
Gratuity expense (refer note 35)	13	9
Share based payment expense (refer note 46)	17	7
Staff welfare expenses	20	23
	572	495

28 Finance costs

Particulars	31 March 2024	31 March 2023
Interest expense on		
- Working capital borrowings	22	19
- Micro and small enterprises (refer note 39)	1	1
- Lease liabilities (refer note 34)	163	122
- Others	1	1
Processing fees for working capital borrowings	-	1
Borrowing cost on asset retirement obligations	4	3
	191	147

29 Depreciation and amortisation expenses

Particulars	31 March 2024	31 March 2023
Depreciation of property, plant and equipment (refer note 4(a))	111	86
Amortization of intangible assets (refer note 4(b))	8	2
Depreciation on right of use assets (refer note 5 and note 34)	262	194
	381	282

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

30 Other expenses

Particulars	31 March 2024	31 March 2023
Advertisement and business promotion	233	196
Rent including lease rentals (refer note 34)	24	40
Carriage outwards	63	63
Royalty expenses (refer note 37)	4	10
Power and fuel	58	52
Expenditure on Corporate Social Responsibility (CSR)	6	3
Travelling and conveyance	32	29
Security charges	28	22
Repairs and maintenance		
- Plant and machinery	5	5
- Building	7	7
- Others	59	41
Legal and professional charges	39	27
Rates and taxes	13	29
Job work charges	188	197
Bank charges	26	15
Communication expenses	7	4
Insurance expenses	16	9
Sales commission	38	24
Auditor remuneration (refer note below)	5	7
Loss on sale of property, plant and equipment	16	-
Director sitting fees	7	1
Provision/ (reversal) of credit allowances (refer note 10)	(9)	7
Bad debts	1	1
Provisions for warranty (refer note 43)	6	2
Provision for supplier advances (refer note 8)	1	-
Miscellaneous expenses	38	34
	911	825
Note:		
Audit remuneration (net of taxes)		
For statutory audit	5	7
For reimbursement of expenses	0	0
	5	7

31 Income tax expenses

31.1 Tax expense reported in the Consolidated Statement of Profit and Loss

A. The major components of income tax expense for the year are as under :

Particulars	31 March 2024	31 March 2023
i. Tax expense recognized in the Consolidated Statement of Profit and Loss account:		
Current tax expense:		
Current tax on profit for the year	120	144
Relating to earlier years:		
Tax relating to earlier years	0	(4)
Deferred tax expense:		
Deferred tax expenses for the year	(21)	(26)
Total tax expense recognized in the Consolidated Statement of Profit and Loss Account	99	114

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

31 Income tax expenses (Contd..)

Particulars	31 March 2024	31 March 2023
ii. Tax expense recognized in Other Comprehensive Income:		
Items that will not be reclassified to Consolidated Statement of Profit and Loss Account		
Re-measurement of defined benefit plan	(1)	1
Total tax expense recognized in Other Comprehensive Income:	(1)	1
Total tax expense recognized in Total Comprehensive Income:	98	115

B. Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	31 March 2024	31 March 2023
Accounting profit before income tax expenses	390	464
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expense	98	117
Tax effect of :		
- Expenses that are not deductible in determining taxable profit	2	1
- Brought forward losses	-	(1)
- Warranties	-	(2)
- tax relating to earlier years	0	(4)
- Others	(2)	4
Tax expenses recognized in Consolidated Statement of Profit and Loss Account	98	115
Effective tax rate (%)	25.38%	25.54%

31.2 Deferred Tax Assets

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax assets:		
Property plant and equipment	10	1
Provision for employee benefits	4	5
Provision for expected credit loss	12	4
Provision for bonus	5	8
Lease liabilities (net)	87	72
Others	10	17
Total	128	107
Deferred tax assets (net)	128	107
Deferred tax assets (net)	128	107

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for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

31 Income tax expenses (Contd..)

Movement of deferred tax assets:

As at 31 March 2024

Particulars	As at 31 March 2023	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2024
Deferred tax assets				
Property plant and equipment	1	9	-	10
Provision for employee benefits	5	(1)	(0)	4
Provision for expected credit loss	4	8	-	12
Provision for bonus	8	(3)	-	5
Lease liabilities (net)	72	15	-	87
Others	17	(7)	-	10
Total	107	21	(0)	128
Net deferred tax assets	107	21	(0)	128

As at 31 March 2023

Particulars	As at 31 March 2022	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2023
Deferred tax assets				
Property plant and equipment	3	(2)	-	1
Provision for employee benefits	4	2	(1)	5
Provision for expected credit loss	5	(1)	-	4
Provision for bonus	9	(1)	-	8
Lease liabilities (net)	57	15	-	72
Others	4	13	-	17
Total	82	26	(1)	107
Net deferred tax assets	82	26	(1)	107

32 Financial risk management objectives and policies

Risk management framework

The Board of Directors of the Parent have the overall responsibility for the establishment and oversight of their risk management framework. The Group has constituted a Risk Management Committee. The Group has in place a Risk management framework to identify, evaluate business risks and challenges across the Group. The risk management policies are established to identify and analyse the risks 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 reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Group functional currency in Indian Rupees (Rs). The Group undertakes transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. The Group is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars, Euro, GBP, AED, NOK and YEN;

During the current year, the Group has exported finished goods and imported leather, raw materials, and other accessories, which are subject to foreign exchange risk.

Refer note 40 for foreign currency risk exposure as at Consolidated Statement of Assets and Liabilities date.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

32 Financial risk management objectives and policies (Contd..)

Commodity price risk

The Parent doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group is exposed to credit risk from its operating activities mainly trade receivables. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Group through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The provision for expected credit losses has been historically less. The assessment is done at regular intervals and allowance for credit losses as at 31 March 2024, 31 March 2023 is considered to be adequate:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	259	26	182	25
Expected credit losses (Loss allowance provision)	(8)	(20)	(21)	(21)
Carrying amount of trade receivables (net of impairment)	251	6	161	4

Movement in expected credit losses:

Particulars	Amount
As at 31 March 2022	35
Provision/ (reversed) created during the year	7
As at 31 March 2023	42
Provision/ (reversed) created during the year	(9)
Debtors written off during the year	(5)
As at 31 March 2024	28

b) 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 asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Group's short-term, medium-term and long-term funding. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2024

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	More than 3 years	
Borrowings (refer note 16)	262	9	-	271
Trade payables (refer note 18)	499	-	-	499
Other financial liabilities (refer note 19)	172	-	-	172
	933	9	-	942

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

32 Financial risk management objectives and policies (Contd..)

As at 31 March 2023

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	More than 3 years	
Borrowings (refer note 16)	91	2	-	93
Trade payables (refer note 18)	438	-	-	438
Other financial liabilities (refer note 19)	0	-	-	0
	529	2	-	531

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at 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 at floating rates of interest.

Total borrowings as at the Consolidated Statement of Assets and Liabilities is as follows:

Financial liabilities	31 March 2024	31 March 2023
Borrowing (including current maturities) (refer note 16)	271	93
Total	271	93

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the period ended 31 March 2024 would decrease / increase by Rs. 0.22 million (for the year ended 31 March 2023: decrease / increase by 0.19 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Capital management

The Group's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

Financial liabilities	31 March 2024	31 March 2023
Borrowings (including current maturities) (refer note 16)	271	93
Less:		
Cash and cash equivalents (refer note 11)	71	97
Bank balances other than cash and cash equivalents (refer note 12)	455	637
Net debt	(255)	(641)
Total equity	2,581	2,238
Capital gearing ratio	(0.10)	(0.29)

Dividends

Particulars	31 March 2024	31 March 2023
(i) Dividends recognized		
a. Final dividend for the year ended 31 March 2024 of Rs. Nil (31 March 2023 – Rs. 4/-) per fully paid share	-	30
b. Interim dividend for the year ended 31 March 2024 of Rs. Nil (31 March 2023 – Rs. 19/-) per fully paid share	-	140

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

33 Financial instruments

The material accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Consolidated Statement of Assets and Liabilities.

Financial instruments by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these consolidated financial information at amortised cost approximate their fair values.

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	As at 31 March 2024			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
Financial assets					
(a) Trade receivables (refer note 10)	3	257	-	257	257
(b) Cash and cash equivalents (refer note 11)	3	71	-	71	71
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	455	-	455	455
(d) Other financial assets (refer note 6)	3	165	-	165	165
Total		948	-	948	948
Financial liabilities					
(a) Borrowings (refer note 16)	3	271	-	271	271
(b) Trade payables (refer note 18)	3	499	-	499	499
(c) Lease liability (refer note 34)	3	1,772	-	1,772	1,772
(d) Asset retirement obligation (refer note 4(f))	3	49	-	49	49
(e) Other financial liabilities (refer note 19)	3	172	-	172	172
Total		2,763	-	2,763	2,763

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

33 Financial instruments (Contd..)

Particulars	Level	As at 31 March 2023			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Trade receivables (refer note 10)	3	165	-	165	165
(b) Cash and cash equivalents (refer note 11)	3	97	-	97	97
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	637	-	637	637
(d) Other financial assets (refer note 6)	3	161	-	161	161
Total		1,060	-	1,060	1,060
Financial liabilities					
(a) Borrowings (refer note 16)	3	93	-	93	93
(b) Trade payables (refer note 18)	3	438	-	438	438
(c) Lease liability (refer note 34)	3	1,419	-	1,419	1,419
(d) Asset retirement obligation (refer note 4(f))	3	39	-	39	39
(e) Other financial liabilities (refer note 19)	3	0	-	0	0
Total		1,989	-	1,989	1,989

Note:

The Group has not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.

34 Leases

Information on leases as per Ind AS 116 on "Leases":

(a) Following are the changes in the carrying value of right of use assets :

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	1,245	1,106
Additions	637	333
Deletions/ Adjustments	(63)	-
Depreciation	(262)	(194)
Closing Balance	1,557	1,245

The aggregate depreciation is included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss Account.

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Lease liabilities	218	1,554	168	1,251

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for the year ended 31 March 2024

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34 Leases (Contd..)

(c) The following is the movement in the lease liabilities for the year ended 31 March 2024, 31 March 2023:

Particulars	Lease Liabilities
Balance as at 31 March 2022	1,236
Additions/modifications	315
Deletions	-
Finance cost	122
Lease rentals paid	(254)
Balance as at 31 March 2023	1,419
Additions/modifications	602
Deletions	(83)
Finance cost	163
Lease rentals paid	(329)
Balance as at 31 March 2024	1,772

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2024, 31 March 2023 on an undiscounted basis.

Particulars	As at 31 March 2024	As at 31 March 2023
Undiscounted future cash flows		
- Not later than 1 year	398	262
- Later than 1 year and not later than 5 years	1,554	954
- Later than 5 years	686	458

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.

(e) The following are the amounts recognised in the Consolidated Statement of Profit and Loss Account:

Particulars	As at 31 March 2024	As at 31 March 2023
Interest on Lease liabilities	163	122
Amortisation of right of use assets	262	194
Expense related to short-term Leases (refer note 30)	24	40

(f) Amount recognised in Consolidated Statement of Cash Flows

Particulars	As at 31 March 2024	As at 31 March 2023
Cash outflow		
- Principal amount	166	132
- Interest amount	163	122

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35 Employee benefits

a. Defined contribution plan

The Group contribution to defined contribution plan has been recognized as expense in the Consolidated Statement of Profit and Loss Account under the head employee benefit expense for the year/ period are as under:

Particulars	31 March 2024	31 March 2023
Employer's Contribution to Provident Fund and Family Pension Fund	22	20
Employer's Contribution to Employees' State Insurance Scheme	2	2
	24	22

b. Defined benefit plan - Gratuity

The Group operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the Consolidated Statement of Profit and Loss Account and the funded status and amounts recognized in the Consolidated Statement of Assets and Liabilities for the respective plans.

Particulars	31 March 2024	31 March 2023
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	34	28
Interest cost	2	2
Current service cost	11	8
Benefits paid directly from employer	(2)	(2)
Actuarial (gains)/losses on obligations	-	-
Due to change in demographic	-	-
Due to change in financial assumptions	1	(1)
Due to experience	1	(1)
Closing defined benefit obligation	47	34
ii) Changes in fair value of plan assets during the year/ period:		
Opening fair value of planned assets	12	11
Interest income	-	1
Contributions by employer	26	-
Benefits paid	-	-
Return on plan assets, excluding interest income	-	-
Closing fair value of plan assets	38	12
iii) Net (asset)/liability recognized in the Consolidated Statement of Assets and Liabilities:		
Present value of benefit obligation at the end of the year/ period	(47)	(34)
Fair value of plan assets at the end of the year/ period	38	12
Net (asset)/liability recognized in the Consolidated Statement of Assets and Liabilities	(9)	(22)
Gratuity fund balance (refer note 8)	(1)	-
Net liabilities – current (refer note 17)	1	11
Net liabilities – non current (refer note 17)	9	11
iv) Expenses recognized in the Consolidated Statement of Profit and Loss Account for the year:		
Current service Cost	11	8
Net interest Cost	2	1

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

35 Employee benefits (Contd..)

Particulars	31 March 2024	31 March 2023
Expenses recognized in the Consolidated Statement of Profit and Loss Account	13	9
v) Recognized in Other Comprehensive Income for the year:		
Actuarial (gains)/losses on obligations		
Due to change in demographic	-	-
Due to change in financial assumptions	1	(1)
Due to experience	1	(1)
Return on plan assets, excluding interest income		0
Net (income)/expense for the year/ period recognized in Other Comprehensive income	2	(2)
vi) Actuarial assumptions		
Expected return on plan assets	7%	7%
Rate of discounting	7%	7%
Rate of salary increase	10%	10%
Rate of employee turnover	10%	10%
vii) Maturity profile of defined benefit obligation:		
1st following year	5	3
2nd following year	3	2
3rd following year	3	3
4th following year	5	3
5th following year	5	4
Sum of years 6 to 10	22	17
Sum of years 11 and above	44	37
viii) Consolidated Statement of Assets and Liabilities:		
Opening net liability	22	17
Expenses recognized in Consolidated Statement of Assets and Liabilities	13	9
Expenses recognized in Other Comprehensive Income	2	(2)
Benefit paid directly by the employer	(2)	(2)
Employer's contribution	(26)	(0)
Net liability/(asset) recognized in the Consolidated Statement of Assets and Liabilities	9	22
ix) Category of assets:		
Insurance fund	36	12

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plan is particularly sensitive to are discount rate and salary growth rate. The following table summarizes the impact on the reported defined benefit obligation at the end of the year/ period arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	31 March 2024	31 March 2023
Defined Benefit Obligation on Current Assumptions	45	34
Delta Effect of +1% Change in Rate of Discounting	1	-5
Delta Effect of -1% Change in Rate of Discounting	7	5
Delta Effect of +1% Change in Rate of Salary Increase	7	5
Delta Effect of -1% Change in Rate of Salary Increase	1	-5
Delta Effect of +1% Change in Rate of Employee Turnover	4	-3
Delta Effect of -1% Change in Rate of Employee Turnover	5	4

The above sensitivity analyses 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 method (present value of the defined benefit

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35 Employee benefits (Contd..)

obligation calculated with the projected unit credit method at the end of the reporting year/ period) has been applied as and when calculating the defined benefit liability recognised in the Consolidated Statement of Assets and Liabilities.

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 8 years (As at 31 March 2023 is 9 years)

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	As at	As at
	31 March 2024	31 March 2023
Compensated absences		
- Current (refer note 17)	10	4
- Non-current (refer note 17)	-	-
	10	4

36 Additional information pursuant to schedule III of the Companies Act 2013

Name of the entity	31 March 2024							
	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Stanley Lifestyles Limited	77%	1,994	54%	157	169%	(2)	53%	155
Subsidiaries								
Stanley Retail Limited	22%	567	23%	67	29%	(0)	23%	67
Stanley OEM Sofas Limited	4%	100	11%	33	-21%	0	11%	33
ABS Seating Private Limited	5%	129	-1%	(2)	44%	(1)	-1%	(3)
Step Down Subsidiaries								
Shrasta Décor Private Limited	7%	180	-8%	(22)	-18%	0	-8%	(22)
Sana Lifestyles Limited	1%	36	1%	4	1%	(0)	1%	4
Staras Seating Private Limited	5%	136	12%	34	4%	(0)	12%	34
Scheek Home Interiors Limited	-1%	(21)	0%	(0)	0%	-	0%	(0)
Subtotal	120%	3,121	92%	271	208%	(3)	91%	268
Adjustment arising out of consolidation	-24%	(651)	11%	31	-115%	2	12%	32
Non controlling interest	4%	111	-3%	(10)	7%	(0)	-3%	(10)
Total	100%	2,581	100%	291	100%	(1)	100%	290

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36 Additional information pursuant to schedule III of the Companies Act 2013 (Contd..)

Name of the entity	31 March 2023							
	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Stanley Lifestyles Limited	81%	1,820	25%	87	126%	2	25%	89
Subsidiaries								
Stanley Retail Limited	22%	493	38%	133	21%	0	38%	133
Stanley OEM	3%	67	-2%	(6)	64%	1	-1%	(5)
Sofas Limited								
ABS Seating Private Limited	6%	130	15%	53	-9%	(0)	15%	53
Step Down Subsidiaries								
Shrasta Décor	4%	93	2%	8	-11%	(0)	2%	8
Private Limited								
Sana Lifestyles Limited	1%	32	2%	8	-16%	(0)	2%	8
Staras Seating	5%	101	6%	20	-43%	(1)	6%	19
Private Limited								
Scheek Home	-1%	(21)	-2%	(6)	0%	-	-2%	(6)
Interiors Limited								
Subtotal	121%	2,715	84%	297	132%	2	85%	299
Adjustment arising out of consolidation	-24%	(550)	10%	32	-47%	(1)	9%	32
Non controlling interest	3%	73	6%	21	15%	0	6%	21
Total	100%	2,238	100%	350	100%	1	100%	352

37 Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Stanley Retail Limited (SRL) Stanley OEM Sofas Limited (SOSL) ABS Seating Private Limited (ABS) Staras Seating Private Limited
Step-down Subsidiaries	Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited
Description of relationship	Names of related parties
Significant influence over the entity	Oman India Joint Investment Fund II Mr. Sunil Suresh - Managing Director Ms. Shubha Sunil- Whole Time Director Mrs. Anusha Shetty - Independent Director (w.e.f. 22 August 2023) Mr. Ramanujam Venkat Raghavan - Independent Director (w.e.f. 22 August 2023) Mr. Srinath Srinivasan - Director (up to 31 August 2023)
Key Management Personnel (KMP)	Mr. Sagarvasude Venkatesh Kamath - Director (up to 22 August 2023) Mr. Vishal Verma - Director (w.e.f. 3 March 2022) Mr. Girish Nandkarni-Independent Director (w.e.f. 7 April 2022) Mr. John Douglas Collier- Director (up to 11 April 2022) Mr. Peruvamba Subramaniam Jagdish - Director (up to 6 September 2022) Mr. Srikanth Murthy - Director (up to 15 April 2022) Mr. Kiran Bhanu Vuppalapati (Head of OEM Business)

Notes to the Consolidated Financial Statements

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

Description of relationship	Names of related parties
	Mr. Ananthakrishnan Viswanath - (Director of Stanley OEM Sofas Limited)
	Mr. Pradeep Mishra - Group Chief Financial Officer (w.e.f. 16 November 2022)
	Mr. Akash Shetty - Group Company Secretary (w. e. f. 11 April 2022)
	Mrs. Sonakshi Sunil - (Director of Sana Lifestyles Limited)
	Mr. Yusuf Merchant Abdullah - (Director of Staras Seating Private limited)
	Mr. Rohit Krishna - (Director of Scheek Home Interiors Limited)
	Mr. Rajesh Manghnani - (Director of Shrasta Décor Private Limited)
	Ms. Sharmila Manghani - (Director of Shrasta Décor Private Limited)
	Mr. Bhupinder Singh Chawla - (Director of ABS Seating Private Limited)
	Mr. Haneet Singh Chawla - (Director of ABS Seating Private Limited)
	Mr. Sri Krishna (CEO of Stanley Retail Limited w.e.f. 4 March 2024)
	Mr. Muniramaiah Chennampalli - (CFO of Stanley Retail Limited, up to 30 November 2023)
Relative of Key Management Personnel (KMP)	Ms. Rupinder Chawla - Relative of KMP (Wife of Mr. Haneet Singh Chawla)
	Ms. Suchit Kaur Chawla - Relative of KMP (Cousin of Mr. Haneet Singh Chawla)
	Mr. Dhanish Manghnani - Relative of KMP (Son of Mr. Rajesh Manghnani)
Entities in which KMP / Relatives of KMP can exercise significant influence	Stanley Automotive Leather Trims Limited
	SaaS Kitchens
	Stanley Estate & Leisure
	Seating World
	Design eight (D8)
	S-Square Leisure Private Limited
	Fusion Mont Foods & Beverages
	ARI Music Private Limited
	Aldous
	Design Eight Private Limited

37.1 Particular of transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
Stanley Estates and Leisure	Entities in which KMP/ relatives of KMP can exercise significant influence		
Sales		3	0
Reimbursement of expenses		-	0
Rental income		0	-
Purchases		0	0
Seating World	Entities in which KMP/ relatives of KMP can exercise significant influence		
Sales		3	3
Purchases		29	27
Reimbursement of expenses		1	0
Design Eight(8)	Entities in which KMP/ relatives of KMP can exercise significant influence		
Purchase		-	24
Reimbursement of expenses		-	8
Reimbursement paid for statutory payments		-	26

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

Particulars	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
Design Eight Private Limited	Entities in which KMP/ relatives of KMP can exercise significant influence		
Purchases		57	53
Sales		4	-
Capital advance		-	5
Reimbursement of expenses		0	-
Sunil Suresh	Key Managerial Personnel		
Salary / Perquisites		19	18
Dividend		-	52
Royalty		4	10
Issue of Bonus Shares		10	-
Sales		2	0
Trademark/ Copyright		375	-
Shubha Sunil	Key Managerial Personnel		
Salary / Perquisites		21	20
Dividend		-	52
Sales		1	-
Issue of Bnus Shares		10	-
Sonakshi Sunil	Key Managerial Personnel		
Salary / Perquisites		1	0
Travelling Exp		0	-
Yusuf Merchant Abdullah	Key Managerial Personnel		
Salary / Perquisites		7	4
Rajesh Manghnani	Key Managerial Personnel		
Salary / Perquisites		2	2
Loan received during year		-	24
Loan conversion		23	-
Loan repayment		0	-
Interest Paid		1	-
Sharmila Manghnani	Key Managerial Personnel		
Salary / Perquisites		2	2
Loan conversion		24	-
Loan received during year		-	24
Interest Paid		1	-
Rent		3	-
Haneet Singh Chawla	Key Managerial Personnel		
Salary / Perquisites		4	2
Sale of Goods		0	-
Rupinder Chawla	Relative of Key Managerial Personnel		
Salary / Perquisites		2	1
Aldous	Entities in which KMP/ relatives of KMP can exercise significant influence		
Purchases		0	2
Oman India Joint Investment Fund II	Significant influence over the entity		
Issue of Bonus shares		8	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

Particulars	Relationship	For the year ended 31 March 2024	For the year ended 31 March 2023
Pradeep Mishra	Key Managerial Personnel		
Salary / Perquisites		10	3
Variable pay		4	-
Dhanish Manghnani	Relative of Key Managerial Personnel		
Salary / Perquisites		2	2
Muniramaiah Chennampalli	Key Managerial Personnel		
Salary / Perquisites		2	3
Sales		0	-
Akash Shetty	Key Managerial Personnel		
Salary / Perquisites		1	1
Mr. Srinath Srinivasan	Key Managerial Personnel		
Director sitting fees		0	0
Mr. Sagarvasude Venkatesh Kamath	Key Managerial Personnel		
Director sitting fees		0	0
Mr. Vishal Verma	Key Managerial Personnel		
Director sitting fees		1	0
Mr. Girish Nandkarni-Independent Director	Key Managerial Personnel		
Director sitting fees		1	0
Sales		1	-
Mrs. Anusha Shetty	Key Managerial Personnel		
Director sitting fees		0	-
Mr. R V Raghavan	Key Managerial Personnel		
Director sitting fees		1	-
Mr. Sri Krishna	Key Managerial Personnel		
Salary/ Perquisites		1	-

37.2 Balances outstanding as at year

Particulars	Relationship	As at 31 March 2024	As at 31 March 2023
Sass Kitchens	Entities in which KMP/ relatives of KMP can exercise significant influence		
Advance to suppliers		0	0
Trade receivables		6	6
Stanley Estates and Leisure	Entities in which KMP/ relatives of KMP can exercise significant influence		
Trade receivables		2	1
Seating World	Entities in which KMP/ relatives of KMP can exercise significant influence		
Trade payables		6	6
Design Eight Private Limited	Entities in which KMP/ relatives of KMP can exercise significant influence		
Trade payables		10	22
Trade Receivables		0	0
Advance to suppliers		-	0
Capital advance		-	5

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

Particulars	Relationship	As at 31 March 2024	As at 31 March 2023
Sunil Suresh	Key Managerial Personnel		
Trade payables		0	4
Capital Creditors		168	-
Royalty		-	2
Trade receivables		-	3
Shubha Sunil	Key Managerial Personnel		
Trade payables		1	2
Trade receivables		0	5
Sonakshi Sunil	Key Managerial Personnel		
Trade payables		0	-
Rajesh Manghnani	Key Managerial Personnel		
Trade payables		0	0
Borrowings		-	24
Muniramaiah Chennampalli	Key Managerial Personnel		
Trade payables		-	0
Akash Shetty	Key Managerial Personnel		
Trade payables		0	0
Sharmila Manghnani	Key Managerial Personnel		
Deposit amount paid recoverable		2	-
Trade payables		0	0
Borrowings		-	24
Yusuf Merchant Abdullah	Key Managerial Personnel		
Trade payables		0	0
Haneet Singh Chawla	Key Managerial Personnel		
Trade payables		0	1
Pradeep Kumar Mishra	Key Managerial Personnel		
Trade payables		0	-
Rupinder Chawla	Relative of Key Managerial Personnel		
Trade payables		0	1
Dhanish Manghnani	Relative of Key Managerial Personnel		
Trade payables		0	-
Stanley Retail Limited	Subsidiary		
Corporate guarantee		201	201
Stanley OEM Sofas Limited	Subsidiary		
Corporate guarantee		170	170
Mr. Sri Krishna	Relative of Key Managerial Personnel		
Trade payables		1	-
Mr. R V Raghavan	Relative of Key Managerial Personnel		
Trade payables		0	-
Mr. Girish Nandkarni	Relative of Key Managerial Personnel		
Trade payables		0	-
Mr. Vishal Verma	Relative of Key Managerial Personnel		
Trade payables		0	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

38 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/ deduction, expense claimed & adjustments) (refer note 2 below)	6	1
(b) Atria mall case (refer note 1 below)	26	26
(c) Others (relating to consumer complaints and other matters)	6	2
(d) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	2	8
(e) Customs (relating to EPCG license)	8	-
(f) Capital Account contract with Interiocrraft Private Limited (refer note 3 below)	3	3
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	64	26

Note:

- M/s Alif Enterprises & Ors. have filed suit against the Group for non payment of rent, hoarding and other maintenance charges for the space allocated in 'Atria Mall' which amounts to Rs. 26 millions. The Group has filed counter claim against M/s Alif Enterprises & Ors. for loss suffered due to the poor maintenance in 'Atria Mall'. The Management is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.
- Includes an order u/s 143(3) of the Income Tax Act, 1961 has been received invoking provision u/s 37 of Income Tax Act, 1961 disallowing certain expenses for assessment year 2021-2022. The demand is Rs 1 million and the Group has appealed against the same by remitting 20% i.e. Rs 0.28 million under dispute. In the financial ended 31 March 2022, the Company has filed an appeal.
- A sum of Rs. 3 Millions under litigation presently before " West District Legal Service Authority " pertaining to Capital Account contract with Interiocrraft Private Limited". The Management is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.

39 Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *

Particulars	As at 31 March 2024	As at 31 March 2023
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year/ period;		
Principal amount due to micro and small enterprises	30	77
Interest due on above	4	2
b The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period;	-	-
c 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 Micro and Small Enterprise Development Act, 2006;	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting period; and	4	2
e The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

* There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days at the Consolidated Statement of Assets and Liabilities date. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

40 Foreign currency risk exposure as at Consolidated Statement of Assets and Liabilities:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Amount in Millions	Amount in foreign currency in Millions	Amount in Millions	Amount in foreign currency in Millions
Trade payables				
USD	(43)	(1)	(19)	(0)
EURO	(43)	(0)	(34)	(0)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	As at 31 March 2024	As at 31 March 2023
Payables- Foreign currency /Rs.		
Increase in Rs.	(1)	(0)
Decrease in Rs.	1	0

41 Segment information

The primary reporting of the Group has been made on the basis of Business Segments. The Group has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely business of manufacturing and trading of furniture and leather products. The Managing Director of the group allocates and assess the performance of the Group and is the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment need to be considered.

42 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	As at 31 March 2024	As at 31 March 2023
Profit attributable to owners of the Parent	301	329
Net profit for calculation of basic and diluted EPS	301	329
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share - refer note 14.6)	5,15,97,168	5,15,97,168
- No of equity share as at 31 March	5,15,97,168	73,71,024
- No of split equity share	-	3,68,55,120
- No of bonus equity share	-	1,47,42,048
Total weighted average number of equity share	5,15,97,168	5,15,97,168
Weighted average number of equity shares in calculating diluted EPS (Split and Bonus share- refer note 14.6)	5,15,97,168	5,15,97,168
Basic earning per share (in Rs.)**	5.83	6.39
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share- refer note 14.6)	5,15,97,168	5,15,97,168
Weighted average share under Employee Stock Options (refer note 49)	4,36,017	41,227
Weighted average share at average market price	(1,79,899)	(10,403)
Dilutive earning per share (in Rs.)**	5.80	6.38

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

43 Provision for warranties

The Group has given warranties on various ranges of furniture, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as on 31 March 2024, 31 March 2023 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at the beginning of the year	12	10
Add: Charge for the year (refer note 30)	6	2
Less: Utilised during the year	4	-
Balance as at the year end	14	12
Current portion (refer note 17)	14	12
Non-current portion	-	-

44 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs 1,091 millions (As at 31 March 2023 Rs 1,091 millions) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works, corporate guarantee by Stanley Lifestyles Limited, Parent Company and lien on bank deposit of Rs.405 millions (31 March 2023: Rs 155 millions)

The monthly statements of receivables, payables, inventories and sales filed with the banks against the borrowings obtained by the Group are in agreement with the books of account other than below:

Month	Bank name	Sanctioned amount	Nature of assets	As per unaudited books of accounts	Amount as per quarterly returns and statements	Amount of difference	Reason
Jun-22	SBI Bank (SLL)	1,090.62	Trade receivables	533.50	533.70	(0.20)	Monthly closure entries
			Trade payables	317.90	317.18	0.72	
Sep-22	HDFC Bank (SRL)	1,090.62	Advance to suppliers	55.54	55.62	(0.08)	Monthly closure entries
Dec-22	HDFC Bank (SOSL)	1,090.62	Trade receivables	49.45	49.44	0.01	Monthly closure entries
			Trade payables	38.93	38.95	(0.02)	
Mar-23	SBI Bank (SOSL and SLL)	1,090.62	Inventory	499.47	499.22	0.25	Monthly closure entries
	HDFC Bank (SOSL)		Trade receivables	63.35	63.36	(0.01)	
Jun-23	SBI Bank (SLL)	1,091	Trade receivables	461	512	(51)	Monthly closure entries
			Trade payables	158	158	-	
			Inventory	540	540	(0)	
	HDFC Bank (SRL)	Trade receivables	49	55	(6)		
		Trade payables	306	306	-		
		Inventory	474	474	-		
	HDFC Bank (SOSL)	-	Advance to suppliers	42	42	(0)	
			Advance from customers	104	104	(0)	
HDFC Bank (SOSL)	-	Trade receivables	53	53	-		
		Trade payables	42	42	0		
		Inventory	70	68	2		
		Advance to suppliers	12	12	-		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

44 Details submitted to bank on account of credit facility availed (Contd..)

Month	Bank name	Sanctioned amount	Nature of assets	As per unaudited books of accounts	Amount as per quarterly returns and statements	Amount of difference	Reason
Sep-23	SBI Bank (SLL)	1,091	Trade receivables	684	685	(1)	Monthly closure entries
			Trade payables	237	265	(28)	
			Inventory	480	464	16	
	HDFC Bank (SRL)		Trade receivables	89	59	30	
			Trade payables	466	312	154	
			Inventory	552	552	-	
			Advance to suppliers	105	105	-	
	HDFC Bank (SOSL)		Advance from customers	102	102	-	
			Trade receivables	52	52	-	
			Trade payables	32	32	-	
			Inventory	68	68	-	
	Dec-23	SBI Bank (SLL)	1,091	Trade receivables	710	712	
Trade payables				447	442	5	
Inventory				545	560	(15)	
HDFC Bank (SRL)			Trade receivables	135	135	-	
			Trade payables	455	455	-	
			Inventory	526	496	30	
			Advance to suppliers	99	100	(1)	
HDFC Bank (SOSL)			Advance from customers	122	122	-	
			Trade receivables	68	68	-	
			Trade payables	45	45	-	
			Inventory	62	58	4	
Mar-24		SBI Bank (SLL)	1,091	Trade receivables	643	645	(2)
	Trade payables			159	150	10	
	Inventory			516	533	(17)	
	HDFC Bank (SRL)		Trade receivables	149	151	(2)	
			Trade payables	399	430	(31)	
			Inventory	570	532	38	
			Advance to suppliers	30	48	(18)	
	HDFC Bank (SOSL)		Advance from customers	146	138	8	
			Trade receivables	67	67	0	
			Trade payables	31	31	0	
			Inventory	73	73	(0)	
				Advance to suppliers	2	2	0

Notes:

- 1) Stock-in-transit is not considered for the purpose of filling out the statement to the bank.
- 2) Working capital facility (fund based) aggregating of Rs. 21 million is secured by lien on bank deposit of Rs. 22 million, on which charge is not created as per the banker's instructions.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

45 Relationship with struck off companies

The Group has not entered any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 except following:

Name of the Struck off Companies	Nature of transactions	Relationship with Struck off Company	31 March 2024	31 March 2023
Kandala Projects Private Limited	Sales	Customer	-	1
SKJ Projects Private Limited	Sales	Customer	-	0
Kaymo Fastener company	Purchases	Vendor	1	-
TNT India Private Limited	Expense	Vendor	-	0

Name of the Struck off Companies	Nature of balance	Relationship with Struck off Company	31 March 2024	31 March 2023
RNS Motors Pvt Ltd	Advance to suppliers	Vendor	0	-
Kaymo Fastener Company	Trade payable	Vendor	0	-

46 Employee Stock Options

Employee Stock Option Plan 2022 ("ESOP 2022")

The Parent established the Employee Stock Option Plan 2022 ("ESOP 2022") with effect from 30 September 2022 as approved vide Board Resolution dated 6 September 2022 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under ESOP 2022 have been issued and exercised.

Pursuant to the ESOP 2022, the Group has granted options to the employees of the Company and employees of subsidiary companies forming part of the Group, which would vest to the employees as per the terms of the Grant Letter.

Particulars	Stanley Lifestyle Stock Option Plan 2022		
	Bucket A	Bucket B	Bucket C
Date of Grant	16 November 2022	16 November 2022	04 January 2024
No. of options granted	36,662	4,565	1,80,836
No. of options granted post impact of split of equity shares and issue of equity bonus shares	2,56,634	32,028	1,80,836
Method of Settlement	Equity	Equity	Equity
Vesting period	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%
Exercise Period	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date
Vesting conditions	Continues services and performance	Continues services and performance	Continues services and performance
Exercise price per option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs 850	Rs 10	Rs. 156

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

46 Employee Stock Options (Contd..)

Particulars	Stanley Lifestyle Stock Option Plan 2022		
	Bucket A	Bucket B	Bucket C
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares**	Rs 901	Rs 1,403	Rs. 312
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares**	Rs 129	Rs 200	Rs. 312

Particulars	Bucket A		Bucket B		Bucket C				
	31 March 2024	Weighted average	31 March 2023*	31 March 2024	Weighted average	31 March 2023*	31 March 2024	Weighted average	31 March 2023*
Opening balance	36,662	850.00	-	4,565	10.00	-	-	-	-
Granted during the year	-	-	36,912	-	-	4,803	1,80,836	135	-
Increase consequent to split of equity shares and issue of bonus shares (refer note 14.6)**	2,19,972	121.00	-	27,463	2.00	-	-	-	-
Forfeited during the year	(33,481)	121.00	(250)	-	-	(238)	-	-	-
Exercised during the year***	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	2,23,153	121.00	36,662	32,028	2.00	4,565	1,80,836	134.56	-

*** Total 51,647 options [45,241 options of Bucket A, 6,406 options of Bucket B] has been vested but not yet exercised as on 16 November 2023.

** Consequent to split of one option into five options and then two bonus options for every five options the numbers has been updated.

* Weighted average exercise price for options granted during the year is Rs. Nil (as at 31 March 2023: Rs. 850 and Rs. 10).

Fair value of share options grant

The fair value of the share options granted is estimated at the grant date using the option pricing model (Black Scholes), taking into account the terms and conditions upon which the share options were granted.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Bucket A	Bucket B	Bucket C	Bucket A	Bucket B	Bucket C
Exercise price of options granted	Rs 121	Rs 2	Rs 156.00	Rs. 850	Rs. 10	-
Risk free rate of return	7.32%	7.32%	7.25%	7.32%	7.32%	-
Volatility	4 years	4 years	4 years	4 years	4 years	-
	16.06%	16.06%	50.00%	16.06%	16.06%	-

Movement in stock options during the year

The expense recognised for employee services received during the year is shown in the following table:

Particulars	31 March 2024	31 March 2023
Expense arising from equity-settled share-based payment transactions	17	7

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

- 47** (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property
- (iii) The Group has not traded or invested in crypto currency or virtual currency during the financial period.
- (iv) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).
- 48** A) The Group has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- 1) 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
 - 2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- B) The Group has not received any fund from any persons or entities, 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.
- 49** A) The Group has maintained proper books of account as required by law except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India.
- B) The Parent Company and its subsidiary companies incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2024, wherein:
- a) In respect of the Parent Company and two subsidiary companies, the accounting software did not have the audit trail feature enabled throughout the year, and
 - b) In respect of five other subsidiary companies, the accounting software did not have a feature of recording audit trail (edit log) facility.
- The Group is in the process of implementing the changes in line with the regulation.
- 50** A fire accident occurred on 13 November 2023 at Banaswadi showrooms, resulting in the loss of inventory of Rs. 11 million (inclusive of GST) and property, plants, and equipment of written down value of Rs. 7 million. An insurance claim was filed with The New India Insurance Company Limited on the 11 December 2023 for an amount of Rs. 22 million against which the Company has received the insurance claim of Rs. 19 million on 22 May 2024. Also, the insurance company has conducted the e-auction for the damaged goods, for which the Company has received an amount of Rs 0.40 million.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2024

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

51 Events occurred after Consolidated Statement of Assets and Liabilities date

The Group evaluated all events or transactions that occurred after 31 March 2024 up through 19 July 2024, the date the consolidated financial information were authorized for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial information other than as below:

1. The Parent Company's equity shares have been listed on Bombay Stock Exchange Limited ("BSE") and on National Stock Exchange of India Limited ("NSE") on June 28, 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs. 2 each at an issue price of Rs 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

52 Code on Social Security, 2020

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 the Code becomes effective.

- 53 The Consolidated Financial Information were authorized for issue in accordance with a resolution of the directors on 19 July 2024.

For and on behalf of the Board of Directors
Stanley Lifestyles Limited

Sunil Suresh
Managing Director
DIN 01421517

Shubha Suni
Whole Time Director
DIN 01363687

Pradeep Mishra
Chief Financial Officer

Akash Shetty
Company Secretary &
Compliance Officer
FCS No. 11314

Place: Bengaluru
Date: 19 July 2024

STANLEY | [®]
Makers Of Beautiful

Stanley Lifestyles Limited

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