



Date: 02.09.2025

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To, National Stock Exchange of India Limited ("NSE") Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited ("BSE") Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
NSE Scrip Symbol: STANLEY	BSE Scrip Code: 544202
ISIN: INE01A001028	ISIN: INE01A001028

Dear Sir/Ma'am,

Subject: Submission of Annual Report for the Financial Year 2024-25 pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2024-25 along with the Notice convening the 18th Annual General Meeting of the Company scheduled to be held on Friday, September 26, 2025, at 4:00 PM at through VC/OAVM.

The Annual Report is also available on the website of the Company at www.stanleylifestyles.com

This is for your information and records.

Thanking You,

For Stanley Lifestyles Limited

Sunil Suresh
Managing Director
DIN: 01421517

Enclosed as above

Stanley Lifestyles Limited

Registered Office: SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra Village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100

CIN: L19116KA2007PLC044090 | **Phone:** 080 6895 7200 | **E-mail:** compliance@stanleylifestyles.com | **Website:** www.stanleylifestyles.com

**The Curated
Spectrum:**
Crafting a complete
home experience.

What's Inside

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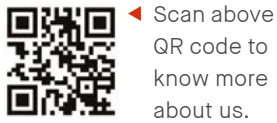
Forward-looking statements

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.

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Scan above QR code to know more about us.



At Stanley, we craft complete living experiences. For over 25 years, we have been at the forefront of India's luxury home interiors, blending aesthetics, innovation and craftsmanship to create pieces that reflect modern Indian aspirations.

FY 2024–25 was a milestone year, marked by our successful public listing. This has strengthened our foundation and enabled us to accelerate our strategy across the premium and luxury home interior spectrum.

Throughout the year, we expanded our presence and deepened our offering—providing end-to-end solutions across every living space through our distinct brands. Our pan-India footprint and strong Company-owned retail presence allow us to deliver consistent, elevated experiences.

Despite short-term market disruptions, our agile approach and deep consumer insight helped us navigate challenges with confidence. Improved operational efficiencies and enhanced margins reinforced the power of our integrated model.

As India's premium housing segment gains pace, we remain focused on delivering curated luxury across homes. With an eye on design, detail and personalised service, Stanley is poised to lead the next chapter in luxury living.

About Us

Curating India’s Finest Living Spaces

We are a design-led, vertically integrated luxury furniture brand redefining how India experiences home living. With over 25 years of experience, we offer end-to-end home solutions ranging from sofas and recliners to kitchens, cabinetry and beds through our exclusive brands Stanley Level Next, Stanley Boutique and Sofas & More. Operating 68 stores across 25 cities, we combine craftsmanship, innovation and customer insight to create spaces that reflect refined living.

Our manufacturing facilities empower us to maintain quality, scale and speed. As we expand, our focus remains on delivering premium experiences rooted in elegance, comfort and functional design.



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.



Why we exist

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

Foundations of a Curated Future

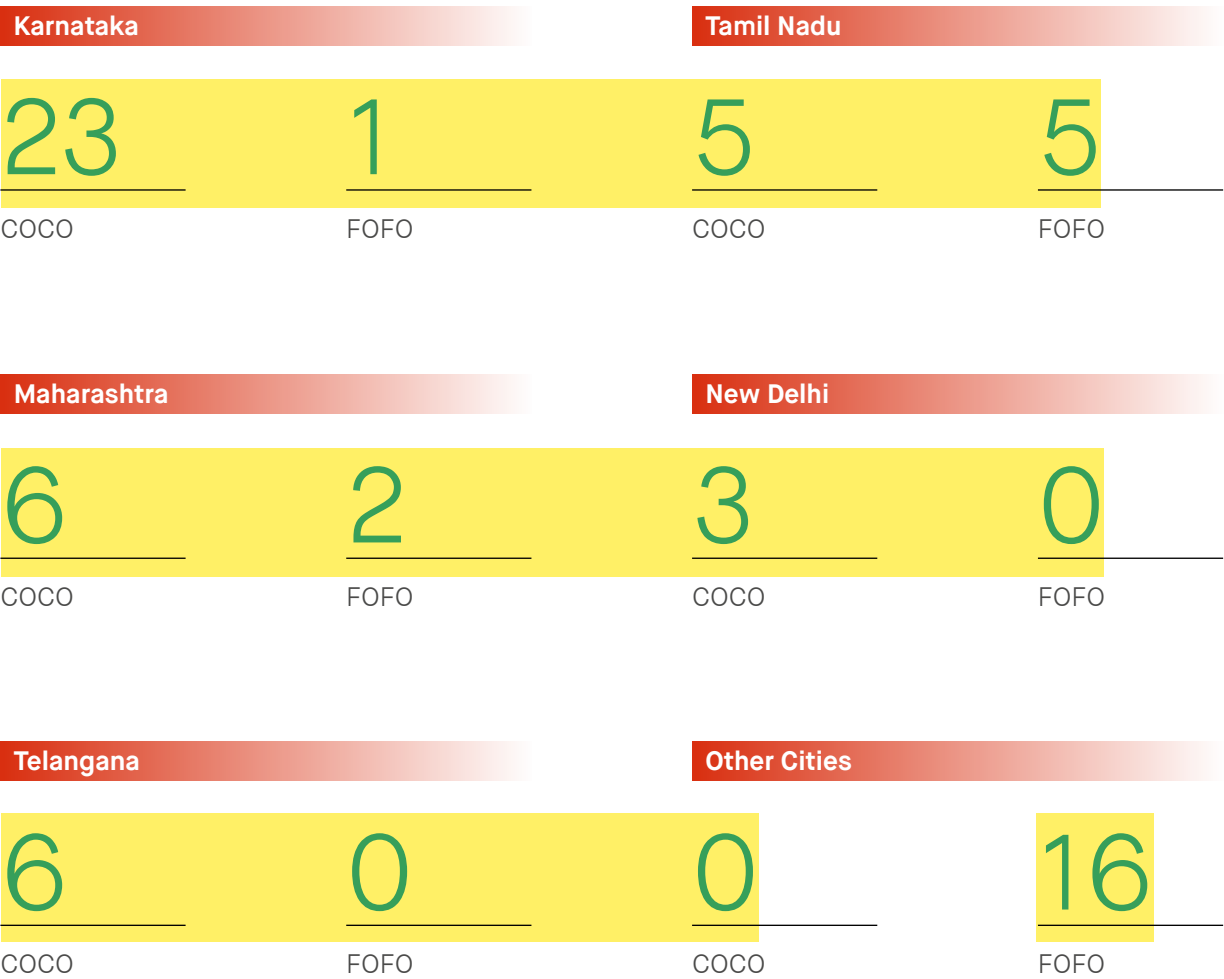
Our fundamentals are rooted in design, quality and innovation. With vertical integration across manufacturing and retail, proprietary brand architecture and a deep understanding of evolving consumer preferences, we continue to craft a resilient growth strategy that mirrors the diversity and depth of our product spectrum.



Geographic Presence

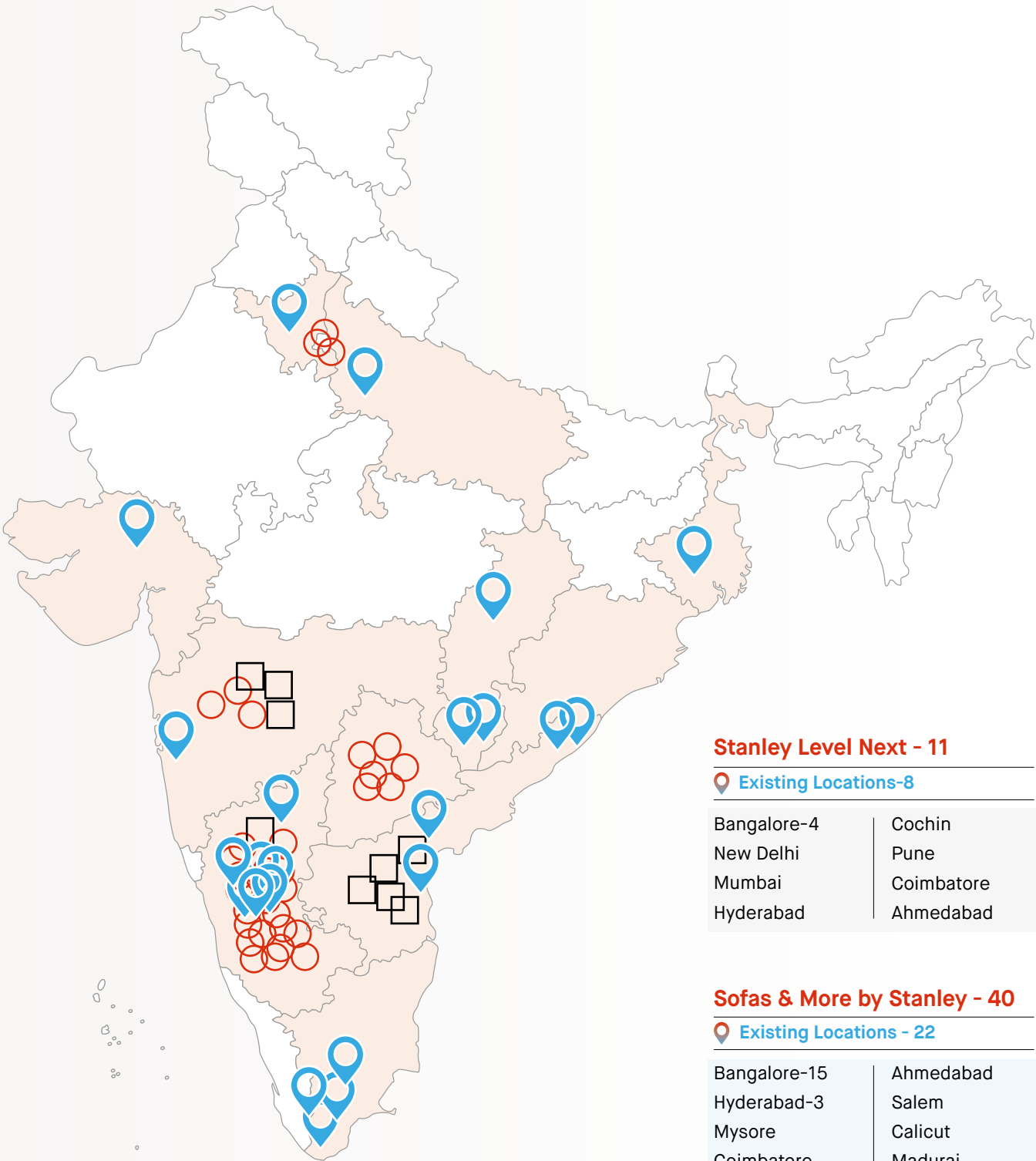
Curating Comfort
Across India

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



COCO

FOFO



Stanley Boutique - 16	
Existing Locations - 7	
Bangalore 4	Pune
Hyderabad-2	Kolkata-2
New Delhi	Chennai-3
Mumbai-3	

Stanley Level Next - 11	
Existing Locations-8	
Bangalore-4	Cochin
New Delhi	Pune
Mumbai	Coimbatore
Hyderabad	Ahmedabad

Sofas & More by Stanley - 40	
Existing Locations - 22	
Bangalore-15	Ahmedabad
Hyderabad-3	Salem
Mysore	Calicut
Coimbatore	Madurai
Cochin-2	Nellore
Trivandrum	Vizag
Tirunelveli	Raipur
Tirupati	Lucknow
Guntur	New Delhi
Vijayawada	Chennai-2
Bhiwandi	Pune

Our Fundamentals and Strategies

Curated Thinking, Cohesive Strategy

Our Strategic Priorities

We are committed to reinforcing our leadership in India's premium and luxury furniture space by advancing a clearly defined set of strategic priorities.

From virtual showrooms to ERP-enabled operations, we are integrating technology across the value chain to elevate customer experience and drive operational efficiency.

We are exploring adjacent lifestyle categories that complement our existing portfolio, enabling us to serve evolving consumer preferences and create new growth levers.

We continue to expand our offerings across categories and price points to serve a wider customer base while staying true to our design and quality ethos.

- We aim to grow our footprint across India and in select international markets by leveraging the equity of the Stanley brand.
- Our expansion strategy prioritises high-visibility locations and scalable store formats.
- We are deepening brand connect through targeted marketing, digital outreach, and curated customer experiences.
- This approach strengthens recall and positions Stanley as a top-of-mind luxury lifestyle brand.

We are evaluating opportunities in the B2B segment and establishing distribution partnerships to diversify revenue streams and improve market access.



MD Message

Curating Comfort
Across India



Dear Shareholders,

As we reflect on FY2025, I am pleased to share the progress we have made at Stanley Lifestyles, continuing to build on the momentum from our successful IPO in June 2024. The year has been pivotal for us, as we have navigated several challenges while also laying the foundation for sustained growth in the luxury and premium furniture market.

Strengthening Our Position Post-IPO

The completion of our Initial Public Offering has been a defining moment in our journey, strengthening our financial base and allowing us to execute our strategic priorities. The funds raised through IPO has been allocated towards accelerating our growth strategy, with a key focus on expanding our retail presence, innovating our product offerings and improving operational efficiency. We are committed to driving long-term value for our stakeholders while maintaining a strong focus on profitability.

Operational and Financial Review

The COCO retail business, which continues to be the key driver grew 8.5% in FY2025, supported by consistent demand for premium and luxury furniture in key urban centres. The overall revenue was impacted due to certain challenges faced especially during the first half of the year which affected footfall in our stores. However, we observed some recovery in the latter part of the year.

The focus on operational efficiency has resulted in improvement in our gross margins, driven largely by the localization efforts and improving in-house manufacturing capabilities. The expansion of our localization strategy continues to reduce our reliance on imported materials, enhancing our supply chain resilience and delivering cost savings.

While the B2B business remained flat in FY2025, we continue to see potential through key collaborations with global brands such as Toyota and IKEA, expanding our international reach. The Accessories business also experienced short-term disruptions due to a shift to a cash-and-carry model, but we expect stabilization and growth momentum to return soon.

The Company’s primary focus remained on strengthening its retail presence and expanding its footprint in the luxury and premium furniture markets. In line with this objective, Stanley Lifestyles added 9 new stores in FY2025, with expansion efforts concentrated in high-opportunity urban markets. Although we had initially planned for a higher number of new store openings, challenges in securing prime retail locations at favourable rental terms led to a more measured expansion.

Improving Brand Positioning in Luxury and Premium Segments

Over the years, Stanley Lifestyles has evolved into a design-led luxury brand, offering tailored solutions for its customers. The company introduced integrated full-home solutions under the Stanley Level Next brand, catering to ultra-luxury homeowners. To date, more than 200 full-home projects have been successfully completed with excellent customer feedback. The average ticket size of the full home solution is ranging from INR 3.0 to 3.5 million.

In addition, Stanley Lifestyles has evolved its product mix under the Sofas & More brand to meet the changing demands of modern consumers.



The focus on operational efficiency has resulted in improvement in our gross margins, driven largely by the localization efforts and improving in-house manufacturing capabilities.



Previously, 80% of the sales came from on-the-floor inventory, where ready-made furniture was displayed and sold as-is. Today, the business operates with a balanced approach, of 50% sales coming from custom orders tailored to specific customer needs and the remaining 50% from on-the-floor inventory. The in-house design team of over 150 members has a crucial role in this success, crafting unique designs that are customized to align with each customer’s preferences.

Market Dynamics

India’s economic premiumization is fuelling rapid growth in the luxury and ultra-premium furniture segment. As more Indian consumers seek status, quality, bespoke and lifestyle upgrades, their expectations have shifted from basic functionality to design-led, high-end living experiences.

The tier 2+ market are also exhibiting noteworthy capacity to consume and is still largely untapped, Luxury/super-premium brands are experiencing a significant shift in consumption patterns within the Indian tier II+ market as well. High-Net-Worth Individuals and Ultra High Net Worth Individuals, previously concentrated in metros, are now emerging in tier I and tier II cities nationwide, resulting in a substantial increase in luxury/ super-premium expenditures and the increased spending on discretionary

items suggests rising disposable income of households.

This growth is closely linked to the expanding luxury residential real estate sector, with demand for premium homes continuing to surge, particularly in Tier 1 cities. The demand for homes priced between Rs. 1 – 10 crores increased by 46% in 2024 and have grown nearly 500% since 2019. However, the industry has slightly faced delays in property handovers, despite these challenges, the overall outlook for the luxury segment remains positive and Stanley Lifestyles is well-positioned to capitalize on this growing demand.

Sustainability Initiatives

At Stanley Lifestyles, sustainability is a key pillar of our operations and growth strategy. We recognize the importance of minimizing our environmental footprint while continuing to deliver exceptional products. As part of this commitment, we have prioritized the use of sustainable materials, such as leather sourced from some of the greenest, carbon-positive tanneries. This not only supports environmental sustainability but also ensures that our products meet the highest standards of ethical sourcing. Furthermore, the Company is taking proactive steps to reduce its carbon footprint by leveraging solar power across our manufacturing facilities. This initiative has been pivotal in reducing our reliance on non-renewable energy sources, further reflecting our commitment to sustainability.

In addition to these operational efforts, our Corporate Social Responsibility initiatives continue to make a meaningful impact on communities. One such project is our support to the Bagalur Government Primary School, where we are working to improve educational opportunities for children from vulnerable and marginalized communities. The project has benefited 285 students, including 135 boys and 150 girls, along with 12 teachers. The wider Bagalur

colony, with a population of 2,500, also benefits from this initiative, which reflects our commitment to empowering underserved communities. Furthermore, we are actively involved in protecting the forests in the Western Ghats, one of India's most vital ecological zones, contributing to the conservation of biodiversity and the natural environment.

Moving forward, Stanley Lifestyles will continue to integrate sustainable practices into every aspect of its business. These efforts are closely aligned with the principles outlined in our Business Responsibility and Sustainability Report, which can be found as an annexure to this annual report.

The Road Ahead

Looking ahead, Stanley Lifestyles is well-positioned for sustained growth. Our strategic focus will remain on expanding our retail footprint, innovating our product offerings and diversifying our revenue streams through B2B partnerships which will continue to drive long-term success.

On behalf of the entire team at Stanley Lifestyles, I would like to thank you for your continued trust and support. We are confident in our ability to navigate the future with optimism and look forward to achieving new milestones in the years to come.

We are well positioned to capitalize on the growing demand for luxury and premium furniture, particularly as the residential real estate market recovers. Our expansion plans for FY2026 include the opening of 15 new stores, including the relocation of 3 existing stores to better align with our evolving business needs and customer demand.

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The competition from imported furniture remains a significant consideration. However, this landscape is set to undergo a major shift with the BIS certification requirement, which is expected to come into effect in March 2026. This certification mandates that all imported furniture must meet the BIS regulations, which will likely reduce imports and create a more favourable environment for domestic manufacturers like Stanley Lifestyles to thrive. Furthermore, with recent raid being conducted by DRI on luxury furniture importers who were

under invoicing and the gazette for QCO on import furniture having been passed we remain optimistic about our future growth.

In addition to strengthening our domestic presence, Stanley Lifestyles is expanding its footprint internationally. Our first export shipment was recently sent to Germany, marking a significant step in our global expansion efforts. As we continue to explore additional export opportunities, this international push is expected to contribute to our future growth and diversification.

In conclusion, FY2025 has been a year of both challenges and achievements. We have strengthened our position in the market, expanded our footprint and continued to innovate to meet the evolving needs of our customers. As we look ahead, we remain focused on executing our strategy, driving profitability and delivering value to our stakeholders.

On behalf of the entire team at Stanley Lifestyles, I would like to thank you for your continued trust and support. We are confident in our ability to navigate the future with optimism and look forward to achieving new milestones in the years to come.

Thank you.
Sunil Suresh
Managing Director

CFO's Message



FY2025 was a year of steady progress. During the year, we continued to build on our long-term strategy of strengthening our retail presence, improving operational efficiency and maintaining a strong balance sheet, even as the business environment remained challenging.

FY2025 was a year of steady progress. During the year, we continued to build on our long-term strategy of strengthening our retail presence, improving operational efficiency and maintaining a strong balance sheet, even as the business environment remained challenging.

Our revenue from operations was Rs. 4,262 million, a marginal decline compared to the previous year. This was largely due to the realignment of our accessories business, where we transitioned from a credit model to a cash-and-carry framework. While this change led to a short-term decline in revenue, it has positioned the business to be more sustainable going forward. Excluding this segment, our core businesses delivered steady growth, reflecting the resilience of our operating model.

Profitability improved despite muted top-line performance. Gross profit grew 2.9% year-on-year to Rs. 2,400 million, with gross margin expanding by 237 basis points to 56.3%. This margin expansion was the result of increased localization, backward integration initiatives and higher in-house manufacturing, which helped reduce dependence on imports and optimize costs. EBITDA for the year was Rs. 818 million, with a margin of 19.2%, while PAT improved to Rs. 292 million with a margin of 6.8%.

From a business mix perspective, our retail business remained the largest contributor, with revenue of Rs. 2,417 million, recording 8.5% growth over last year. The performance was driven by Stanley Level Next and the Sofas & More, which registered strong double-digit growth of 15.5% and 11.8% year-on-year, respectively, while Stanley Boutique, which is currently undergoing a transformation, saw a decline of 9.2%.

The franchisee business also delivered a 6.9% growth with revenue reaching Rs. 555 million. The B2B business grew 3.0% to Rs. 986 million, while the accessories business reported revenue of Rs. 304 million. Sofas and seating continued to be the anchor category in our product portfolio, accounting for 59% of overall revenue. Our company-owned and company-operated stores contributed 61% to total revenue, highlighting the strength of our direct-to-consumer approach.

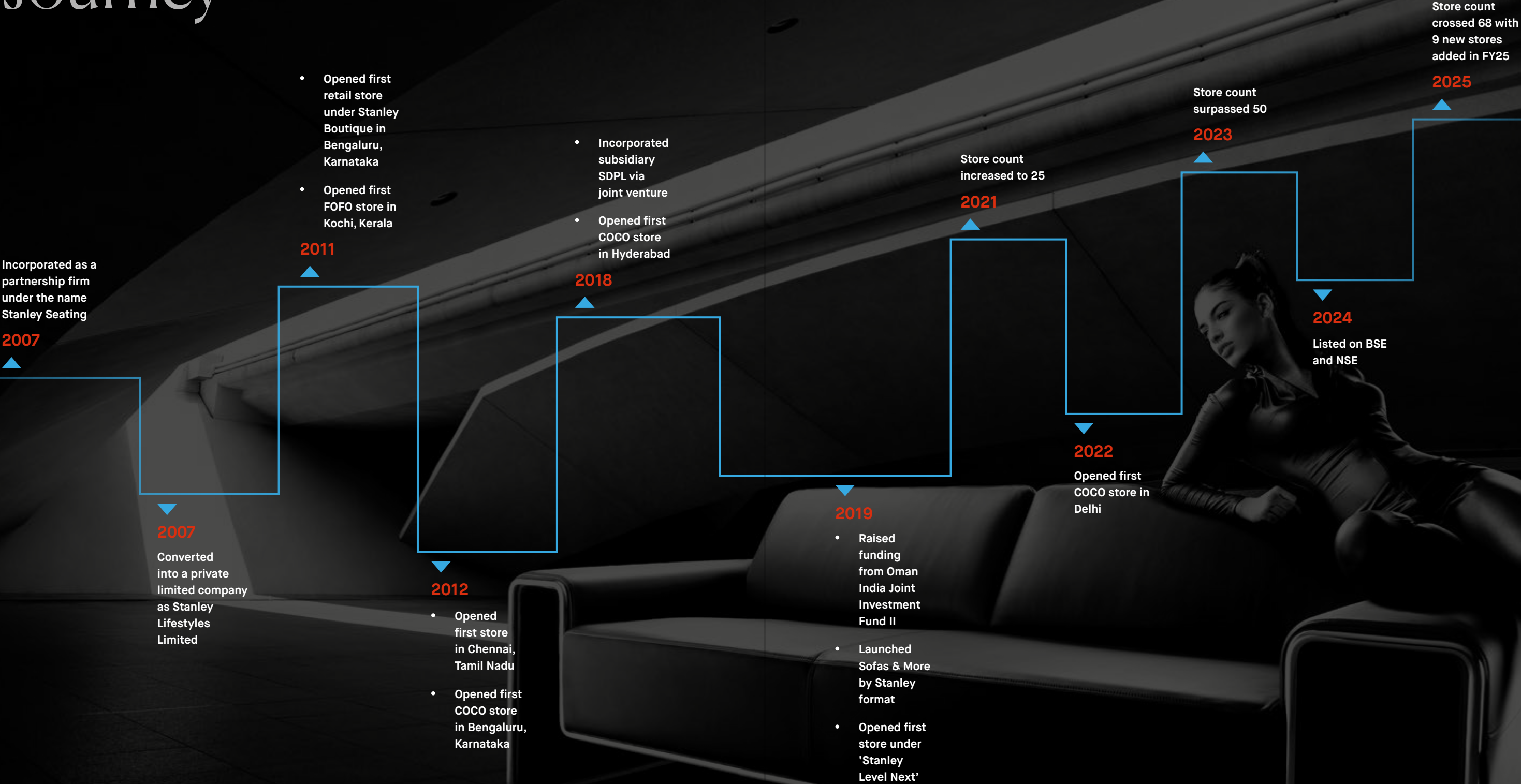
On the balance sheet front, we closed the year with a strong net cash position of Rs. 1,378 million. This provides us the financial flexibility to pursue growth investments, including store expansions, format upgrades and manufacturing improvements. The ongoing transformation of Stanley Boutique to align with the Stanley Level Next brand is aimed at bringing our formats more in line with evolving customer preferences.

Looking ahead, we remain focused on scaling our retail network and deepening customer engagement. Our continued investment in localization, in-house production capabilities and technology will enable us to improve margins and sustain long-term growth. We remain confident that these initiatives, supported by a strong balance sheet, will allow Stanley Lifestyles to continue creating value for all stakeholders in the years to come.

Thank you.
J K Sharath
CFO

Curating Comfort
Across India

Stanley Growth Journey



Our Business Offerings

Complete Experiences, Thoughtfully Designed

We operate through three differentiated retail formats- Stanley Level Next, Stanley Boutique and Sofas & More by Stanley- each designed to serve a distinct customer segment. While they vary in positioning, price point and in-store experience, they share a unified focus on refined aesthetics, superior craftsmanship and in-house manufacturing. This multi-format strategy enables us to cater to a wider spectrum of lifestyle needs and preferences across India.



Stanley Level Next

Stanley Level Next is our most exclusive format, created for those who value artistic detail, customisation and modern luxury. These stores are not just furniture outlets they function as interior experience centres where customers can co-create personalised living spaces in collaboration with our design experts. Our collections embody contemporary aesthetics, innovative design and functional sophistication. Each piece is thoughtfully crafted to reflect distinct lifestyles and personal expressions.

Target Segment

Ultra-luxury and bespoke homebuyers

Product Range

Complete home interior solutions including modular kitchens, wardrobes, sofas, beds, cabinetry and more

Store Experience

Expansive flagship showrooms with curated material libraries, designer finishes and immersive lifestyle setups.

11

No of stores



Stanley Boutique

Stanley Boutique offers refined luxury through ready-to-buy collections that blend craftsmanship with versatility.

Ideal for customers seeking high-end furniture with shorter lead times, these stores showcase pieces that balance timeless elegance with everyday practicality. Each product is built in-house and designed to elevate spaces while retaining a sense of warmth and personal expression.

Target Segment

Premium and luxury homeowners

Product Range

Designer sofas, recliners, beds, dining sets and curated statement pieces

Store Experience

Boutique-style layouts with an emphasis on textures, finishes and intimate product displays.

16

No of stores



Sofas & More

Sofas & More is our most accessible format, offering thoughtfully designed furniture at approachable price points. These stores cater to the growing demand for affordable luxury by blending Stanley’s core values of quality, comfort and style into value-packed offerings. With trend-aligned collections and efficient delivery cycles, Sofas & More serves as the gateway to the Stanley experience for a broader customer base.

Target Segment

Aspirational buyers and value-driven homeowners

Product Range

Sofas, recliners, mattresses, beds, accessories and essential home furniture

Store Experience

High-footfall showrooms designed for quick navigation and product discovery across categories

40

No of stores



Product Portfolio

Designs Across the Spectrum

Our product portfolio is a reflection of end-to-end craftsmanship designed, engineered and manufactured entirely in-house. Every piece begins with a design concept, refined through global collaborations and expert insights, and brought to life with precision and attention to detail. From modular kitchens and cabinetry to sofas, recliners, beds and upholstery, we offer a comprehensive range of home solutions that blend functionality with timeless aesthetics without relying on outsourced components.

We offer a wide spectrum of home solutions designed for evolving lifestyles—each category combining functionality, comfort and design precision

Seating

We provide a versatile seating range crafted to meet diverse aesthetic and comfort needs. From luxurious sofas and recliners to functional sofa-cum-beds, bar stools, dining chairs, pouffes and cushions, our seating solutions blend ergonomics with elegant design, suitable for both modern and traditional interiors.

58%

Revenue in
FY 2024–25

Kitchen and Cabinetry

Our modular kitchens, wardrobes and storage solutions are engineered to enhance everyday living. This segment includes bar units, shoe racks, bedside tables, laundry/utility units and prayer units designed to optimise space while elevating form and function across home interiors.

6%

Revenue in
FY 2024–25



Sofa-cum-Bed



Bar Stools



Dining Chairs



Pouffes



Cushions



Recliners



Bar Units



Shoe Racks



Bedside Tables



Kitchens



Laundry/Utility Units



Prayer Units

Case Goods

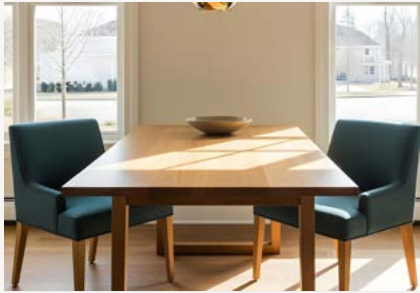
Our case goods collection features thoughtfully designed coffee tables, dining tables, consoles and end tables that complement a variety of living spaces. These pieces add utility and visual appeal, balancing craftsmanship with material innovation.

16%

Revenue in
FY 2024–25



Coffee Tables



Dining Tables



Consoles



End Tables



Wardrobe

Mattresses and Beds

Our bedding solutions prioritise restorative comfort and design coherence. The range includes beds, mattresses and coordinated pillows and accessories crafted for lasting support and luxury, aligned with global sleep and wellness trends.

5%

Revenue in
FY 2024–25



Beds



Mattresses



Coordinated Pillows



Sofa cum Bed

Automotive and others

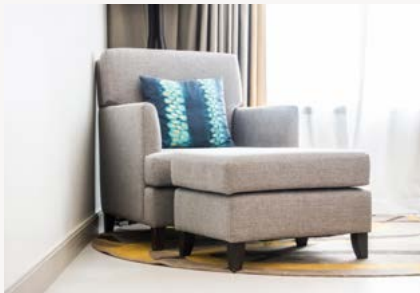
In addition to home furnishings, we offer specialised products for the automotive sector.

4%

Revenue in
FY 2024–25



Arm Chair



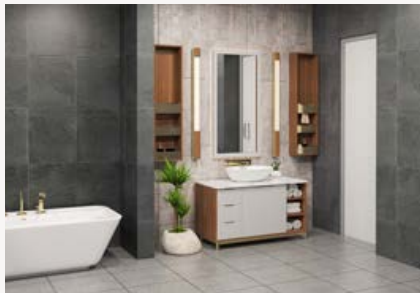
Recliners



Shoe Storage Unit



Home Theatre



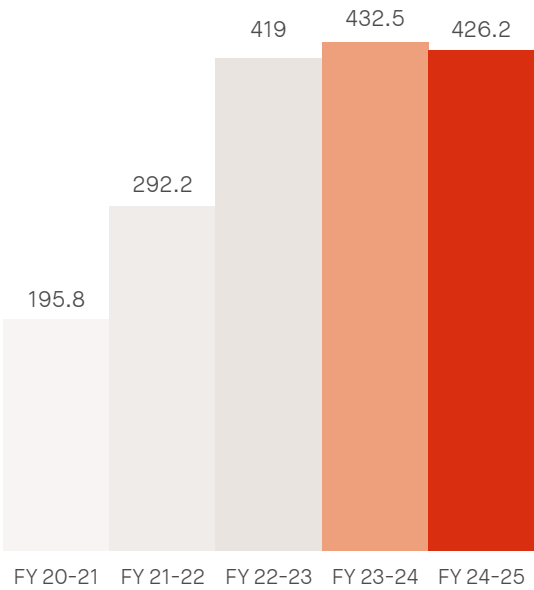
Vanity

Financial Performance

Sustaining Value
Across the Spectrum

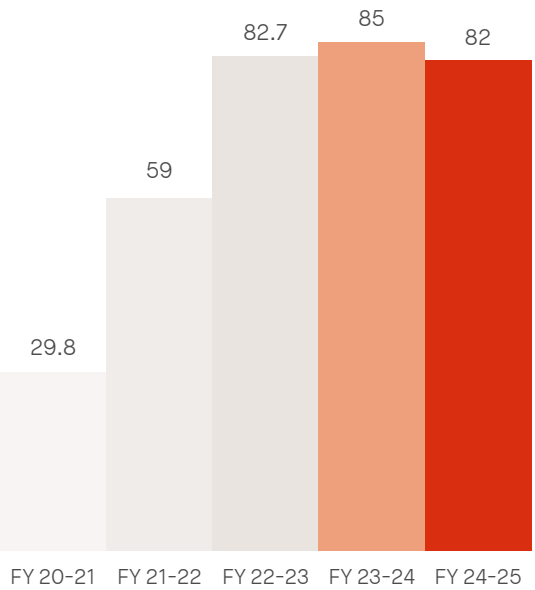
Revenue generated

(₹ in crores)



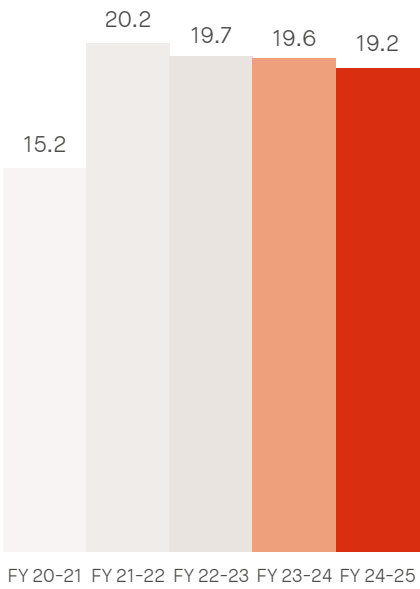
EBITDA

(₹ in crores)



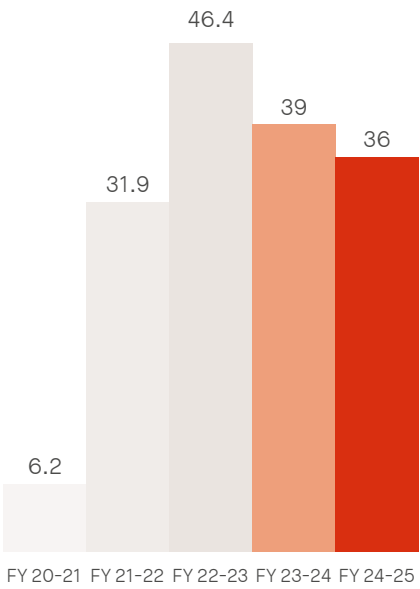
EBITDA margin

(%)



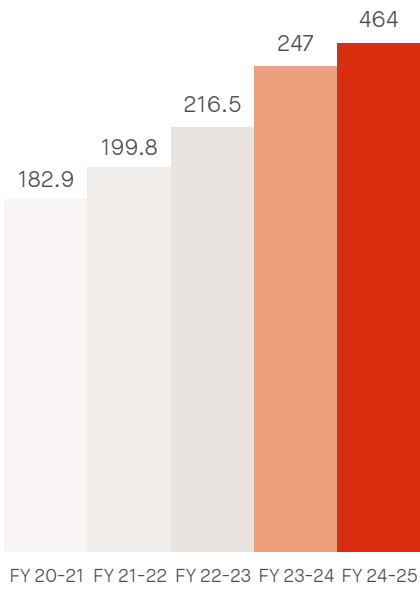
Profit Before Tax

(₹ in crores)



Net worth

(₹ in crores)



Manufacturing and Operational Excellence

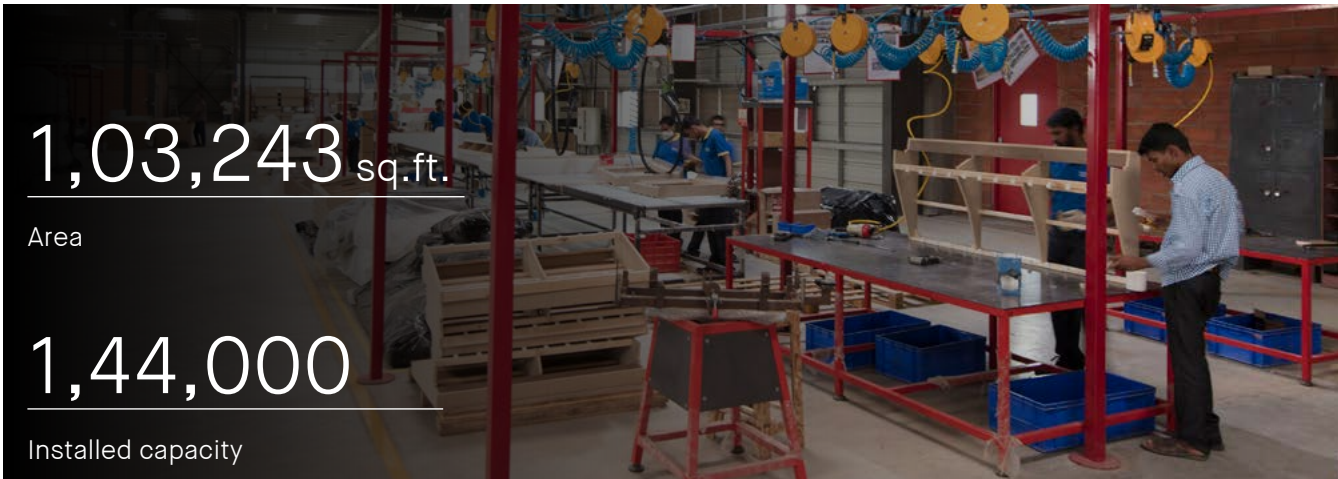
Designed for Efficiency, Built for Elegance

We operate one of the few fully integrated manufacturing setups in India’s luxury furniture segment, enabling end-to-end control over quality, design, and delivery. By bringing nearly all production processes in-house from design and raw material processing to finishing, assembly, logistics, and installation, we have created a high degree of process control and quality assurance across divisions. This integration has significantly reduced outsourcing costs, improved product quality and enhanced our ability to manage delivery timelines with greater precision.

Electronic City



Jigani



Driving Efficiency through Strategic Investments

We made targeted capital investments to eliminate dependencies on external vendors. We internalised several previously outsourced processes by introducing advanced equipment such as laser cutting, CNC bending, PVD coating, Socco cutting and milling machines.

This transition enabled us to achieve full control over production quality and reduce external procurement costs, particularly for metal and engineering components. For instance, leather wastage reduced from 33 percent to 24 percent during the year, contributing directly to margin improvement.

Automation for Productivity Gains

We automated several high-effort tasks to reduce manual workload and improve turnaround time. Key initiatives included:

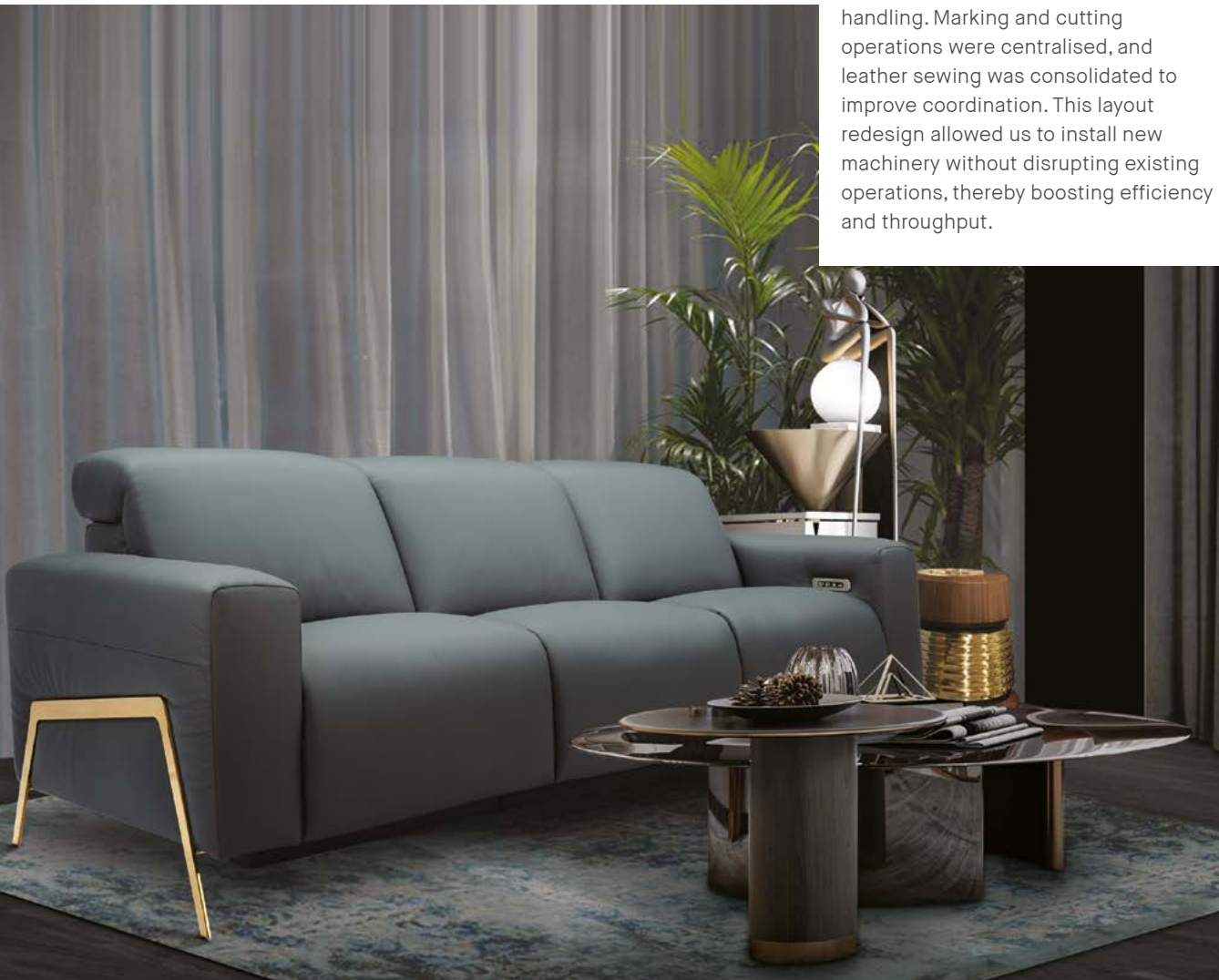
- Automated polishing systems for matte and mirror finishes
- Poly filling and foam rolling machines to standardise quality and eliminate manual inconsistencies
- As a result, lead time was reduced from 6–8 weeks to 4–6 weeks across product categories

Strengthening Capabilities for Long-Term Growth

We are strengthening our manufacturing ecosystem to support our ambitions in B2B and export markets. We achieved 100 percent in-house production for key components under the Sofas & More format, cutting out external dependencies and enabling better cost and quality control. We are certified under ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, aligning our systems with international standards.

Enhancing Process Flow and Layout

We reconfigured our shop floor to streamline material flow and optimise handling. Marking and cutting operations were centralised, and leather sewing was consolidated to improve coordination. This layout redesign allowed us to install new machinery without disrupting existing operations, thereby boosting efficiency and throughput.



Marketing

Amplifying Brand Presence Through a Lifestyle Lens

We align our marketing efforts with our core value proposition premium, designed living. By segmenting our audience thoughtfully and balancing physical presence with digital outreach, we build stronger customer connections and drive brand preference across diverse buyer cohorts.

Brand Architecture and Positioning

We operate through three distinctive retail formats- Stanley Level Next, Stanley Boutique and Sofas & More -each tailored to a specific customer profile. This clear brand architecture enables sharper positioning, relevant messaging and curated experiences for ultra-luxury, luxury and premium value seekers respectively.

Immersive and Data-Driven Tools

We are enhancing the buying journey with 360-degree product views, virtual showrooms and augmented reality tools. These platforms allow customers to visualise our products in their own homes, increasing confidence in purchase decisions. Simultaneously, we use customer interaction data to refine messaging and personalise recommendations.

Integrated Outreach Channels

Our marketing approach blends traditional and digital platforms to maximise reach. While SEO, social media and Google campaigns target a younger, design-conscious audience, print and outdoor formats help build visibility with customers over 45 years old. This integrated approach ensures consistent brand messaging and recalls across mediums.

Retail Expansion and Experience

We expanded our store footprint in key cities to improve access and customer engagement. Our physical showrooms remain central to our experience model offering customers a first-hand view of design, craftsmanship and comfort. These spaces also serve as discovery zones where design consultations and product customisation deepen brand affinity.

Market Intelligence and Segmentation

We leverage real-time analytics to segment customers not only by income but by lifestyle aspirations, design preferences and channel behaviour. These insights drive sharper targeting, improve conversion rates and feedback into product development, ensuring continued relevance across all three formats.



What Sets Us Apart

Crafting the Complete Experience

We have built a resilient business anchored in design, operational precision and customer understanding. As we expand our presence and deepen our capabilities, these distinct strengths continue to shape our identity as a leader in premium home solutions.

Scale with Agility

Our expansive retail network three times larger than our nearest competitor enables us to cater to a diverse and growing customer base across India. We are recognised as one of the fastest-growing brands in the luxury furniture segment, with an expanding footprint in emerging markets.

Design-First Thinking

Design drives everything we do from product development to in-store experiences. We constantly align our launches with global trends and customer lifestyle insights, ensuring our offerings remain desirable, functional and future-ready.

Integrated Manufacturing Ecosystem

Our fully in-house manufacturing model spans design, material processing, finishing, assembly and logistics. This vertical integration gives us greater control over quality, cost and lead time, while also enabling rapid customisation and innovation.

Pan-India Brand Presence

With strategically located stores in key metros and high-growth cities, we ensure brand visibility and accessibility across customer segments. Our growing presence allows us to meet demand in both established and emerging luxury markets.

Operational Precision

We prioritise efficiency at every level of our value chain. Our business model is built to support high margins and financial sustainability through process automation, lean practices and capital investments that reduce outsourcing.

Innovation-Led Execution

From adopting cutting-edge machinery to reducing material waste, we continuously improve how we work. These initiatives have helped us lower leather wastage, reduce lead times and improve gross margins without compromising on quality.

Experienced, Insight-Led Leadership

Our leadership team blends deep industry knowledge with strategic foresight. Their experience and clarity of direction empower us to scale responsibly while staying true to our design and quality ethos.



Board of Directors

Building and scaling luxury brands in India is a challenging task, but our Promoters have successfully achieved it over the last two decades



Sunil Suresh

Managing Director

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

He is a recognized expert on the Indian luxury industry, with sharp insights into consumer trends, branding, and the evolving luxury ecosystem.



Shubha Sunil

Whole Time Director

- Has been associated with our Company as a Promoter and Director since October 11, 2007.
- Cleared the Bachelor's 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

- She holds a dual honours 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.



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.
- Currently Serving as a Director on the Board of Clair Advisors Private Limited.



Ramanujam Venkat Raghavan

Independent Director

- Has over 18 years of experience.
- Cleared the Bachelor's of Commerce examination held by Bangalore University
- Currently working with Shahi Exports Private Limited as the Chief Executive Officer and Director.



Anusha Shetty

Independent Director

- Has over 17 years of experience.
- Holds a Post Graduate Diploma in Management from T. A. Pai Management Institute, Manipal.
- Currently working 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

Sonakshi Sunil –
Non Executive Director

Company Secretary & Compliance Officer

Rasmi Ranjan Naik

Chief Financial Officer

J K Sharath

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 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the **18th (Eighteenth)** Annual General Meeting of the Members of Stanley Lifestyles Limited will be held on **Friday, September 26, 2025, at 4:00 P.M IST** ("Notice") through Video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt: -
 - i. The Standalone Audited Financial Statements for the financial year ended **31st March 2025** and the Reports of the Board of Directors and Auditors thereon
 - ii. The Consolidated Audited Financial Statements for the financial year ended **31st March 2025** and the Reports of the Auditors thereon
2. To appoint a Director in place of Mrs. Sonakshi Sunil (DIN: 09387990), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To appoint Mr. Vijayakrishna KT, Practising Company Secretary as the Secretarial Auditor of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ('SEBI Listing Regulations') and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for appointment of Mr. Vijayakrishna KT, Practising Company Secretary (FCS 1788 and CP 980) as the Secretarial Auditor of the Company, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report, for a period of five (5) consecutive years, commencing from the Financial Year 2025-2026 till Financial Year 2029-2030, at such remuneration including applicable taxes and out-

of-pocket expenses, payable to him during their tenure as the Secretarial Auditors of the Company, as may be mutually agreed between the Board of Directors or any Committee of the Board and the Secretarial Auditor from time-to-time."

4. To approve an increase in the ESOP Pool from 15,08,212 options to 37,93,580 options and amendment in 'Stanley Lifestyles Limited Employee Stock Option Plan-2022'.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "SEBI Listing Regulations), the circulars/ guidelines issued by the Securities and Exchange Board of India ('SEBI'), and such other applicable rules (if any) framed pursuant to the Companies Act 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and in accordance with the provisions of articles of association of the Company and subject to such other approval(s), permission(s) and sanction(s) of the appropriate authorities as may be applicable and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) and in terms of recommendation made by the Nomination & Remuneration Committee (NRC) and approval by the Board of Directors, consent of the Members of the Company be and is hereby accorded, for an increase in the ESOP pool of "Stanley Lifestyles Limited Employee Stock Option Plan-2022" ("ESOP 2022") from existing 15,08,212 options to 37,93,580 options on the terms set out thereof including without limitation to granting and/ or vesting of such number of stock options which could give rise to the issue of Equity Shares of the Company, not exceeding 37,93,580 in aggregate, at such price and on such terms and conditions as set out under the ESOP 2022 and to approve the amended Stanley Lifestyles Limited Employee Stock Option Plan-2022.

RESOLVED FURTHER THAT the Nomination & Remuneration Committee, be and is hereby authorized to formulate, implement and administer the restated ESOP 2022 and vary, amend, modify or alter the terms of the restated ESOP 2022 subject to the terms of the Companies Act, 2013 and any guidelines, rules or regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT any of the Director or Company Secretary of the Company be and are hereby severally authorised to do all necessary acts and deeds to give effect to the resolution.”

By Order of the Board,
For **Stanley Lifestyles Limited**

Place: Bangalore
Date: August 28, 2025

Rasmi Ranjan Naik
Company Secretary and Compliance Officer
(Membership No. F7599)

Notes:

- 1) Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2024/133 dated October 3, 2024 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
 - 2) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility for the appointment of proxies by the members will not be available.
 - 3) 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.
 - 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) Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to compliance@stanleylifestyles.com with a copy marked to (einward.ris@kfinotech.com)
 - 6) The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 26, 2025. Members seeking to inspect such documents can send an email to compliance@stanleylifestyles.com
 - 7) Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP).
- Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the SEBI Circulars from time to time.
- 8) Members are requested to address all correspondence to RTA, KFin Technologies Limited, Unit: Stanley Lifestyles Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 and e-mail at einward.ris@kfinotech.com
 - 9) In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by KFin Technologies Limited. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mrs. Kalaivani S, (Membership No. ACS57112) (CP No. 22158) Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
 - 10) Members holding shares either in physical or dematerialized mode, as on cut-off date, i.e. September 19, 2025, may cast their votes electronically. The e-voting period commences on September 23, 2025 (9:00 a.m. IST) and ends on September 25, 2025 (5:00 p.m. IST). The e-voting module will be disabled by KFin Technologies Limited thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e., September 19, 2025. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
 - 11) 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 18th AGM and facility for those Members participating in the 18th AGM to cast vote through remote e-Voting system during the 18th AGM. For this purpose, KFin Technologies Limited ("KFin") will be providing facility for voting through remote e-Voting,

for participation and remote e-Voting in the 18th AGM through VC/ OAVM facility and remote e-Voting during the 18th AGM. Members may note that Kfin may use third party service provider for providing participation of the Members through VC/ OAVM facility.

- 12) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- 13) Any person holding shares in physical mode or a person, who acquires shares and becomes a member of the Company after the Notice is sent and holding shares as on the cut-off date, i.e. September 19, 2025, may obtain the login ID and password by sending a request to einward.ris@kfintech.com. However, if he / she is already registered with KFin Technologies Limited for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote.
- 14) In compliance with the Circulars, the Annual Report for 2024-25, the Notice of the 18th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). A letter providing the web-link for accessing the Annual report will be sent to those members who have not registered their email address with the Company.
- 15) We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses, are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2024-25 in electronic mode.
- 16) Members may also note that the Notice of the 18th AGM and the Annual Report 2024-25 will also be available on the Company's website at, www.stanleylifestyles.com, websites of the stock exchanges, i.e BSE and NSE, at www.bseindia.com and www.nseindia.com.
- 17) The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning business under Item No. III of the Notice is annexed hereto.
- 18) The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared

along with the Scrutinizer's report shall be communicated to the stock exchanges, RTA, and will also be displayed on the Company's website www.stanleylifestyles.com

- 19) Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- 20) 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.

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 Friday, September 19, 2025 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on September 23, 2025 at 9:00 a.m. IST and ends on September 25, 2025 at 5:00 p.m. IST. 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	- Existing user who have opted for Electronic Access To Securities Information ("Easi/ Easiest") facility: - Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. - Click on New System Myeasi. - Login to Myeasi option under quick login. - Login with the registered user ID and password. - Members will be able to view the e-voting Menu. - The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. - User not registered for Easi/ Easiest - Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or, https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration for registering. - Proceed to complete registration using the DP ID, Client ID (BO ID), etc. - After successful registration, please follow the steps given in point no. 1 above to cast your vote. - Alternatively, by directly accessing the e-voting website of CDSL - Visit www.cdslindia.com. - Provide demat account number and PAN. - System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. - After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Stanley Lifestyles Ltd.' or select KFin. - Members will be re-directed to the e-voting page of KFin to cast their vote.
Individual Shareholders holding securities in Demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the 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 & voting during the meeting. - Existing Internet-based Demat Account Statement ("IDeAS") facility Users: - Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. - On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. - After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. - Click on company name i.e. 'Stanley Lifestyles Ltd.' or ESP i.e. KFin. - Members will be re-directed to KFin's website for casting their vote during the remote e-voting period.

3. Those not registered under IDeAS:
 - i. Visit <https://eservices.nsdl.com> for registering.
 - ii. Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
 - iii. Visit the e-voting website of NSDL <https://www.evoting.nsdl.com>.
 - iv. 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.
 - v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen.
 - vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.
 - vii. Click on company name i.e., Stanley Lifestyles Ltd. or ESP i.e., KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period.
 - viii. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Members login through their demat accounts / website of DPs

- i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility.
- ii. Once logged-in, Members will be able to view e-voting option.
- iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.
- iv. Click on options available against ‘Stanley Lifestyles Ltd.’ or ‘KFin’.
- v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 102 0990 and 1800 22 4430
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-62343625, 022-62343626, 022-62343259

B. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com>.
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Stanley Lifestyles Ltd.' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. In case you do not desire to cast your vote, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

The following Explanatory Statement sets out all material facts relating to the business under Item No. 3 of the Notice.

Pursuant to the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 ('Act') and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors at their respective meetings held on August 28, 2025, have recommended and approved the appointment of Mr. Vijayakrishna KT, Peer Reviewed Practising Company Secretary ('Secretarial Auditor') (ICSI FCS - 1788 and CP - 980) as Secretarial Auditor of the Company, subject to approval of Members of the Company, on the following terms and conditions:

- a) Term of appointment: 5 (Five) consecutive years commencing from Financial Year 2025-26 till Financial Year 2029-30.
- b) Proposed Fees: INR 2 lakh Rupees Only) plus applicable taxes and other out-of-pocket expenses in connection with the secretarial audit for Financial Year ending March 31, 2026, and for subsequent year(s) of their term, such fee as maybe mutually agreed between / determined by the Board of Directors (as per the recommendations of the Audit Committee) in consultation with the Secretarial Auditor. The fees for services in the nature of certifications and other professional work will be in addition to the secretarial audit fee as above and will be agreed between / determined by the Board of Directors (as per the recommendations of the Audit Committee) in consultation with the Secretarial Auditor.
- c) Basis of recommendations: The recommendations are based on evaluation and consideration of various factors such as industry experience, competency of the audit team, efficiency and quality in conduct of audit, independent assessment, etc.
- d) Credentials: Over 38 years of post-qualification consolidated experience in Public Limited Companies and also as Practising Company Secretary and Corporate Counsel. He has been associated as Consultant & Adviser with many members of the corporate clientele (including MNCs), Public Sector Undertakings (PSUs) taking up assignments related to Corporate Laws, Corporate Affairs, IPOs, Rights Issues, Preferential Issues, Buy Backs, Open Offers, Reduction of Capital, Mergers & Acquisitions, Corporate Restructuring, Fund Raising Tasks, Project Finance, Loan Syndication etc.

- e) Consent and Eligibility: The Secretarial Auditor has consented to their appointment and has confirmed that the appointment, if made, would be pursuant to Regulation 24A of SEBI Listing Regulations and that he is not disqualified to be appointed as the Secretarial Auditor in terms of the provisions of SEBI Listing Regulations. The Secretarial Auditors a valid Peer Review Certificate issued by ICSI.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out in the Notice under Item No. 3 in relation to the appointment Mr. Vijayakrishna KT, Company Secretaries, as the Secretarial Auditors of the Company, for approval by the Members of the Company.

Item No. 4 :

The Company proposes to increase in ESOP pool by 22,85,368 options thereby increasing current ESOP pool from 15,08,212 equity options to 37,93,580 equity options under the Stanley Lifestyles Limited Employee Stock Option Plan-2022 ("ESOP 2022"). The ESOP Scheme 2022 was approved by the shareholders in their meeting held on September 30, 2022, and amended ESOP 2022 approved by shareholders in their meeting held on September 30, 2024. In terms of the provisions of Section 62 (1) (b) of the Companies Act, 2013 ("the Act") read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, any alteration in the terms of the ESOP Scheme shall be approved by the Shareholders by passing of Special Resolution in the General Meeting. The Board of Directors on the recommendation made by the Nomination and Remuneration Committee in its meeting held on August 28, 2025 had accorded its approval for increase in ESOP Pool of the Company, subject to the approval of the members of the Company. Accordingly, the consent of the members of the Company is sought.

The draft copy of the Restated ESOP 2022 is available for the inspection during the office hours till the date of Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives (to the extent of their shareholding in the Company, if any) is concerned or interested, financially or otherwise in the resolution, except to the extent of the shareholding, if any, in the Company or any of their interest as Director or member or otherwise mentioned herein above, in the Company.

In view of the above, the Board recommends the passing of the resolutions set out at Item No. 4 as a Special Resolution.

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	MRS SONAKSHI SUNIL
Director Identification Number (DIN)	09387990
Designation	Non- Executive Director
Date of Birth / Age (Years)	28th August 1997 (28 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	The Terms and Conditions of re-appointment of Mrs. Sonakshi Sunil are as follows: - The terms and conditions of re-appointment as decided by Nomination and Remuneration Committee. - She will be entitled to the receive sitting fees of ₹ 75,000/- per Board Meeting and ₹50,000/- per Nomination and Remuneration Committee Meeting. - Benefits: Her entitlement to the benefit schemes of the Company shall be in accordance with applicable laws and as per the Company's policies in force and as decided by Nomination and Remuneration Committee from time to time.
Remuneration last drawn (including sitting fees, if any)	Sitting fees received till 31-03-2025 of ₹ 3.25 lacs
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	August 14, 2024 (Subsequently regularized in AGM held on September 30, 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	As mentioned in Report on Corporate Governance
List of Directorships held in other Companies including Listed Entities if any	SANA Lifestyles Limited Stanley OEM Sofas Limited

By Order of the Board,
For **Stanley Lifestyles Limited**

Rasmi Ranjan Naik

Company Secretary and Compliance Officer
(Membership No. F7599)

Place: Bangalore
Date: August 28, 2025

Board's Report

To the Members,

Your Board of Directors ('the Board') takes pleasure in presenting the 18th Annual Report of Stanley Lifestyles Limited ('the Company') together with the Audited Financial Statements, for the financial year ended March 31, 2025. The consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

1. Financial Highlights

The financial statements of the Company for the year ended March 31, 2025, 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.

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operation	2,175	2,313	4,262	4,325
Other income	236	196	172	113
Total Revenue	2,411	2,509	4,434	4,438
Expenses				
Raw Materials and components consumed	1,237	1,446	1,536	1,743
Purchase of stock-in- trade	-	0	280	360
Changes in inventories of finished goods and work-in-progress & Stock-in-trade	27	19	47	(110)
Employee benefits expense	284	257	625	572
Finance costs	52	61	182	191
Depreciation and amortization expenses	124	108	444	381
Other expenses	432	398	956	911
Total Expenses	2,156	2,289	4,070	4,048
Profit Before Tax	255	220	364	390
Tax Expenses:				
Current Tax	61	54	128	120
MAT Credit Entitlement	-	-	-	-
Deferred Tax Charge/(Credit)	(4)	6	(64)	(21)
Current Tax expense of earlier years	5	3	8	0
Tax Expenses	62	63	72	99
Share of (Loss) from Associate	-	-	-	-
Share of profit/loss attributable to Minority Interest	-	-	-	-
Profit after Tax	193	157	292	291
Profit for the year	193	157	292	291

2. State of affairs of the Company

During the year under review, your Company continued to grow with revenue of ₹ 2175 million as against ₹ 2313 million in the previous year- a growth of (5.97) %. Profit for the year 2024-2025 was ₹ 193 million as against ₹ 157 million in the previous year- a growth of 22.93 %.

As per the consolidated financial statements, the revenue and profit for the year 2024-2025 were ₹ 4262 million and ₹ 292 million respectively as against ₹ 4325 million and ₹ 291 million in the previous year - a growth of (1.46) % in revenue and an increase of 0.34 % 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 organized sector with a pan India distribution network comprising of distributors/dealers and retailers.

3. Share Capital

During the year under review, pursuant to the exercise of stock options granted under the Employee Stock Option Plan (ESOP Plan 2022), and in accordance with the approvals granted by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on February 12, 2025, the Company allotted 89,936 (Eighty Nine Thousand Nine Thirty Six) equity shares of face value ₹ 2 (Rupees Two only) each to the eligible employees.

Consequently, the issued, subscribed, and paid-up share capital of the Company stands increased to 5,71,07,158 (Five Crore Seventy One Lakh Seven Thousand One Hundred and Fifty Eight) equity shares of face value ₹ 2 (Rupees Two only) each, aggregating to ₹ 11,42,14,316 (Rupees Eleven Crores Forty-Two Lakhs Fourteen Thousand Three Hundred and Sixteen only).

The Authorised Share Capital of the Company is ₹ 15,00,00,000/- (Rupees Fifteen Crores only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) equity shares of ₹ 2/- (Rupees Two only) each.

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

As on March 31, 2025, the issued, subscribed, and paid-up share capital of the Company stands increased to 5,71,07,158 (Five Crore Seventy One Lakh Seven Thousand One Hundred and Fifty Eight) equity shares of face value ₹ 2 (Rupees Two only) each, aggregating to ₹ 11,42,14,316 (Rupees Eleven Crores Forty-Two Lakhs Fourteen Thousand Three Hundred and Sixteen only).

Subsequently, pursuant to the exercise of stock options granted under the Employee Stock Option Plan (ESOP), and in accordance with the approval granted by the Nomination and Remuneration Committee at its meeting held on July 4, 2025, the Company allotted 18,505 (Eighteen Thousand Five Hundred and Five) equity shares of face value ₹ 2 (Rupees Two only) each to eligible employees.

Consequently, the issued, subscribed, and paid-up share capital of the Company stands increased to 5,71,25,663 (Five Crore Seventy One Lakh Twenty-Five Thousand Six Hundred and Sixty Three) equity shares of face value ₹ 2 (Rupees Two only) each, aggregating to ₹ 11,42,51,326 (Rupees Eleven Crores Forty-Two Lakhs Fifty-One Thousand Three Hundred and Twenty-Six only).

4. Issue of debentures, bonds or any non-convertible securities

The Company has not issued any debentures, bonds or any non-convertible securities during the year under review.

5. Issue of warrants

The Company has not issued any warrants during the year under review.

6. 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') which can be accessed on the Website of the Company at <https://www.stanleylifestyles.com/investors/policies>

7. Dividend

The Board has not recommended any dividend for the financial year under review.

8. Transfer of unclaimed/unpaid dividend and the corresponding shares to Investor Education And Protection Fund (IEPF)

The Company has no unclaimed/unpaid dividend during the year under review.

9. Transfer to Reserves

The Board does not propose to transfer any amount to reserves during the year under review.

10. Change in the nature of Business

There has been no change in the nature of business of the Company for the year under review.

11. Initial public offering of equity shares

During the year under review, the Company made an Initial Public Offering (IPO) aggregating to ₹ 5,370.24 million (Rupees Five Thousand Three Hundred and Seventy Million Twenty Four Lakhs Only) comprising of 1,45,53,508 (One Crore Forty Five Lakh Fifty Three Thousand Five Hundred and Eight) equity shares at an offer price of ₹ 369 (Rupees Three Hundred and Sixty Nine Only) (Premium of ₹ 367; Face value of ₹ 2) per share. The issue comprised of a fresh issue of 54,20,054 (Fifty Four Lakh Twenty Thousand and Fifty Four) Equity Shares at an offer price of ₹ 369 (Rupees Three Hundred and Sixty Nine Only) (Premium of ₹ 367; Face value of ₹ 2) per share aggregating to ₹ 2,000.00 (Rupees Two Thousand Million Only) and an Offer for Sale (OFS) of 91,33,454 (Ninety One Lakh Thirty Three Thousand Four Hundred and Fifty Four) Equity Shares at an offer price of ₹ 369 (Rupees Three Hundred and Sixty Nine Only) (Premium of ₹ 367; Face value of ₹ 2) per share aggregating to ₹ 3,370.24 million (Rupees Three Thousand Three Hundred and Seventy Million and Twenty Four Lakh Only). Pursuant to the IPO, equity shares were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 28th June 2024.

12. Utilization of IPO proceeds

The Company successfully raised ₹ 5370.24 Million (Rupees Five Thousand Three Hundred and Seventy Million Twenty Four Lakhs Only) through its Initial Public Offering (IPO), which included an Offer for Sale (OFS) component of ₹ 3,370.24 million (Rupees Three Thousand Three Hundred and Seventy Million and Twenty Four Lakh Only). Excluding the OFS portion, the Company received gross proceeds of ₹ 2000 Million (Rupees Two Thousand Million Only). Out of the gross proceeds, an amount of ₹ 189.15 Million (Rupees One Hundred and Eighty Nine Million and fifteen Lakh Only) was incurred towards issue-related expenses.

The net proceeds have been utilised during the year under review in accordance with the objects of the issue, as detailed below.

S. No	Item Head	Sub head	Total Amount proposed to be spent (in Rs. Millions)	Total Amount spent (in Rs. Millions)
1	Investment in certain Subsidiaries for:	Opening of New Stores by such Subsidiaries under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" (New Stores)	901.27	161.90
		Opening anchor stores (Anchor Stores) by such Subsidiaries	399.90	-
		Renovation of the Existing Stores under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" (Existing Stores) by such subsidiaries	100.40	12.00
2	Funding the capital expenditure requirements for purchase of new machinery and equipment by Company and its Material Subsidiary, Stanley OEM Sofas Limited	-	66.59	66.59
3	General corporate purposes	-	342.69	320.36
Total			1810.85	560.85

There has been no deviation in the utilisation of the IPO proceeds of the Company.

The Monitoring Agency Reports' can be accessed on the Website of the Company at <https://www.stanleylifestyles.com/investors/investors-information>

13. Credit Rating

During the year under review, Investment Information and Credit Rating Agency (ICRA), vide their report dated December 30, 2024, 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.

14. 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 2025 in Form AOC-1 forms part of this Annual Report and marked as ANNEXURE I, in this report.

15. Employee Stock Option Plan (ESOP)

Pursuant to the requirements of the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, a certificate has been issued by the Secretarial Auditors of the Company confirming that the Plan has been implemented in accordance with the said Regulations and in accordance with the resolution passed by the Company in the General Meeting.

As required under the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, the applicable disclosures as on March 31, 2025, are placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/>

Pursuant to Rule 12(9) of Chapter IV The Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures with respect to the employee stock option schemes of the Company are provided in the ANNEXURE – II forming part of this Board's Report.

16. Share Registrar & Transfer Agent

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

17. 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 which can be accessed at <https://www.stanleylifestyles.com/investors/corporate-governance>

18. Particulars of Loans, Guarantees or Investments

During the year under review, your Company has not given any loan in terms of the provisions of section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The Company has given corporate guarantee to HDFC Bank Limited on behalf of Stanley OEM Sofas Limited, its Wholly Owned Subsidiary. Further, the corporate guarantee was released by the Company in its Board Meeting dated 13th August 2025.

In furtherance to the Objects of the offer as per the prospectus of the Company filed at the time of the IPO of the Company, we would like to inform you that the Company has made a further investment in Stanley Retail Limited, a wholly owned subsidiary (material subsidiary) of the Company, through a rights issue.

Further, Stanley Retail Limited has made an investment through Rights Issue in Sana Lifestyles Limited and Staras Seating Private Limited, both wholly owned subsidiaries of Stanley Retail Limited and step-down subsidiaries of the Company.

Details of the same are as mentioned in Note No. 6 of the Financial Statements (Standalone)

19. 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.

Stanley Retail Limited, Wholly Owned Material Subsidiary of the Company, has paid Rs. 150 Million (Rupees One Hundred and Fifty Million Only) towards security deposit for upcoming store opening in Hyderabad.

20. Revision of financial statement or the Report

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

21. Directors and Key Managerial Personnel

I. Composition of the Board of Directors

As of March 31, 2025, the Board of Directors of your Company consisted of six members, comprising two Executive Directors and four Non-Executive Directors, including three Independent Directors. The composition of the Board is in compliance with the requirements of Regulation 17 of SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013.

The details of the Board members are as follows:

Category	Name of Director
Executive Director(s)	Mr. Sunil Suresh Mrs. Shubha Sunil
Non-Executive Independent Director(s)	Mr. Girish Shrikrishna Nadkarni Mr. Ramanujam Venkat Raghavan Mrs. Anusha Shetty
Non-Executive Non-Independent Director(s)	Mr. Vishal Verma* Mrs. Sonakshi Sunil**

*Mr. Vishal Verma resigned with effect from 12th July 2024.

** Mrs. Sonakshi Sunil was appointed as a Non-Executive Director on the Board with effect from 14th August 2024.

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

During the year under review, there was no change in the composition of independent directors.

ii. Changes in Non-Independent Directors

- Mr. Vishal Verma (DIN: 07056461), Nominee Director of the Company, resigned from the Board of Directors with effect from 12th July 2024
- Mrs. Sonakshi Sunil (DIN: 09387990), was appointed as Non-Executive Director of the Company vide Shareholders Approval in their General Meeting dated 30th September 2024.

iii. Directors retiring by rotation

Mrs. Sonakshi Sunil, Non Executive 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.

II. Key Managerial Personnel

The Key Managerial Personnel 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
Mr. Rasmi Ranjan Naik***	Company Secretary and Compliance Officer
Mr. J K Sharath****	Chief Financial Officer

*Mr. Pradeep Kumar Mishra has resigned on 13th August 2025

**Mr. Akash Shetty resigned with effect from 19th June 2025

*** Mr. Rasmi Ranjan Naik was appointed with effect from 13th August 2025

****Mr. JK Sharath was appointed on 13th August 2025

III. Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015, the Company is required to have at least one-woman director on the Board.

The Company has three Women Directors on the Board, namely, Mrs. Shubha Sunil (DIN: 01363687) as Whole-Time Director, Mrs. Anusha Shetty (DIN: 01666992) as Independent Director and Mrs. Sonakshi Sunil (DIN: 09387990) as Non-Executive 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.

The same is provided in ANNEXURE - III forming part of this Board's Report.

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 SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Policy of the Company as approved and adopted by the Board is placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/policies>

22. Board Meeting

During the Financial Year 2024-25, our Board has met 9 (Nine) times, and the meetings were held on:

S. No	Date of Board Meeting	Number of Directors entitled to attend the Meeting	Number of Directors attended the Meeting
1	07.06.2024	6	6
2	13.06.2024	6	6
3	25.06.2024	6	6
4	26.06.2024	6	6
5	19.07.2024	5	5
6	14.08.2024	5	5
7	02.09.2024	6	5
8	12.11.2024	6	6
9	12.02.2025	6	6

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 Audiovisual Means. The details of the meetings have been enclosed with the Corporate Governance Report, which forms part of this Annual 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 June 13, 2024, and February 07, 2025, 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.

23. 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, Risk Management Committee and Stakeholders' 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.

24. Recommendations of the Audit Committee

During the year under review, there were no instances during the year where the Board rejected any recommendations of the Audit Committee, warranting disclosure under Section 177(8) of the Companies Act, 2013.

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

The Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and such other matters, as required under subsection (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 placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/policies>

26. 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.

27. 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, 2025. 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 and is placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/policies>

28. 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 placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/policies>

29. 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 placed on the website of the Company which can be accessed at <https://www.stanleylifestyles.com/investors/policies>

30. 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, 2025, are as follows:

S. No	Name of the Company	Relationship	% of shareholding
1	Stanley Retail Limited	Wholly Owned Subsidiary	100.00
2	Stanley OEM Sofas Limited	Wholly Owned Subsidiary	100.00
3	ABS Seating Private Limited	Subsidiary	67.00
4	Sana Lifestyles Limited (Stanley Retail Limited Holding Company)	Step Down Subsidiary	100.00
5	Shrasta Décor Private Limited (Stanley Retail Limited Holding Company)	Step Down Subsidiary	55.95*
6	Staras Seating Private Limited (Stanley Retail Limited Holding Company)	Step Down Subsidiary	100.00
7	Scheek Home Interiors Limited (Stanley Retail Limited Holding Company)	Step Down Subsidiary	100.00

*Shrasta Décor Private Limited has become a Wholly Owned Subsidiary of Stanley Retail Limited as approved in its Board Meeting held on 13th August 2025.

31. Deposit

During the year under review, 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.

32. 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 are specified in ANNEXURE IV to this report.

33. 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.

34. 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, 2025, 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 have prepared the annual accounts on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and
- The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

35. 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.

36. Statutory Auditors

The Members of the Company at the Annual General Meeting held on September 30, 2024, appointed MESSRS. 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 shall hold office until the conclusion of 22nd Annual General Meeting. The appointment of the existing auditors for a second term of 5 years was duly approved by the Members at the 17th Annual General Meeting held on September 30, 2024.

The auditors have submitted their Report on the accounts of the Company for the Financial Year ended March 31, 2025, 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 except as mentioned below:

Statutory Auditors observation:

The Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2025 where in the accounting software did not have the audit trail feature enabled through the year.

Management statement:

The Company is using Accounting Software "SAP B1". The Company has updated the Vendor that the audit trail feature is not enabled in Accounting Software. The Vendor is in process to enable the audit trail feature in the software and informing the Company that it may take some time.

37. 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, Secretarial Audit Report for FY 2024-25 has been annexed herewith as ANNEXURE V

For the year 2025-26, the Board of Directors has appointed Mr. Vijaykrishna K T, Practising Company Secretary (Membership No.: FCS - 1788 ; CP No.: 980) to conduct the Secretarial Audit of the Company for the next five Financial Years 2025-26 to 2029-30.

38. Internal Auditor

Messrs Raghavan, Chaudhuri & Narayanan, Chartered Accountants are the Internal Auditors of the Company.

39. 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 2024-25.

'The Report does not contain any qualifications, reservations or adverse remarks except as mentioned below:

Statutory Auditors observation:

The Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2025 where in the accounting software did not have the audit trail feature enabled through the year.

Management statement:

The Company is using Accounting Software "SAP B1". The Company has updated the Vendor that the audit trail feature is not enabled in Accounting Software. The Vendor is in process to enable the audit trail feature in the software and informing the Company that it may take some time.

Secretarial Auditor

The Secretarial Audit report contains the following observation:

Secretarial Auditors observation

The Company has maintained its books of account using accounting software; however, the audit trail feature was not enabled throughout the year as is required for reporting on preservation of audit trail under Section 128 of the Companies Act, 2013 read with Rule 3(1) of the Companies (Accounts) Rules, 2014.

Management statement:

The Company is using Accounting Software "SAP B1". The Company has updated the Vendor that the audit trail feature is not enabled in Accounting Software. The Vendor is in process to enable the audit trail feature in the software and informing the Company that it may take some time.

40. 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).

41. 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 constituted the Corporate Social Responsibility Committee (CSR Committee) and the composition and function thereof are mentioned in the Corporate Governance Report.

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

The CSR Committee has been duly constituted by the Company. Constitution of CSR Committee as on 31 March 2025 is as follows:

Name	Designation	Capacity
Mr. Ramanujam Venkat Raghavan	Chairman	Independent Director
Mrs. Anusha Shetty	Member	Independent Director
Mrs. Shubha Sunil	Member	Executive Director
Mr. Vishal Verma*	Member	Non-Executive Director

**Mr. Vishal Verma resigned with effect from 12th July 2024

The Annual Report on CSR Activities of the Company is furnished as ANNEXURE VI

42. Business Responsibility and Sustainability Report

The BRSR follows the National Guidelines on Responsible Business Conduct (NGRBC) principles on the social, environmental and economic responsibilities of business. Our BRSR includes our responses to questions about our practices and performance on key principles defined by Regulation 34(2)(f) of the Listing Regulations as amended from time to time, which cover topics across all ESG dimensions.

The Company's Business Responsibility and Sustainability Report (BRSR) is provided separately as part of the Annual Report.

43. 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.

44. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhering 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 Managing Director and Chief Financial Officer is attached to the Report of Corporate Governance.

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.

45. 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 VII 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

46. 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 fraud committed in the Company by its officers or employees.

47. Risk Management

The Risk Management Committee was established by a Board resolution on August 31, 2023, in accordance with SEBI Listing Regulations.

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

48. 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 VIII to this report.

49. 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 investors@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

50. 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 were no material regulatory orders pertaining to the Company for the year under review, except as intimated to the Stock Exchanges from time to time.

The details same are available on the Company's website at, www.stanleylifestyles.com, websites of the stock exchanges, i.e BSE and NSE, at www.bseindia.com and www.nseindia.com.

51. 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.

52. 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:

- Number of complaints pending at the beginning of the year: **NIL**
- Number of complaints received during the year: **NIL**
- Number of complaints disposed off during the year: **NIL**
- Number of cases pending at the end of the year: **NIL**

53. 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 Stanley Lifestyles Limited

Sunil Suresh
DIN: 01421517
Managing Director

Shubha Sunil
DIN: 01363687
Whole Time Director

Date: August 28, 2025
Place: Bangalore

Annexure I

52

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures*(Pursuant to first provision to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the companies (Accounts) Rules, 2014 - AOC -1)***Part A Subsidiaries**

S.No	Name of Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned	Reporting currency	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before tax	Provision for tax	Profit/ (Loss) after tax	Proposed Dividend	Extent of shareholding (in percentage)
1	Stanley Retail Limited (WOS)	NA	2024-25	INR	59.58	1062.60	2125.93	1003.75	360.47	2025.14	95.52	26.25	69.27	0	100%
2	Stanley OEM Sofas Limited (WOS)	NA	2024-25	INR	37.60	120.88	310.89	152.41	Nil	745.36	76.11	18.47	57.64	0	100%
3	ABS Seating Private Limited (Subsidiary)	NA-	2024-25	INR	2.96	144.83	366.22	218.43	Nil	311.21	25.15	6.41	18.74	0	67%
4	Sana Lifestyles Limited (Step-down subsidiary)	NA	2024-25	INR	2.11	80.60	250.47	167.76	Nil	117.97	(13.15)	(3.28)	(9.87)	0	100%
5	Staras Seating Private Limited (Step-down subsidiary)	NA	2024-25	INR	16.07	241.89	512.97	255.01	Nil	387.12	9.10	1.25	7.85	0	100%
6	Shrasta Décor Private Limited (Step-down subsidiary)	NA	2024-25	INR	98.90	69.12	653.94	485.92	Nil	415.94	(18.06)	(5.40)	(12.66)	0	55.95%
7	Scheek Home Interiors Limited (Step-down subsidiary)	NA	2024-25	INR	0.50	(21.48)	0.26	21.24	Nil	0	(0.01)	0	(0.01)	0	100%

Note:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year - Nil

Part B Associates and Joint Ventures

Name of Associates or Joint Ventures	Particulars
1. Latest audited Balance Sheet Date	Nil
2. Date on which the Associate or Joint Venture was associated or acquired	Nil
3. Shares of Associate or Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates or Joint Venture	Nil
Extent of Holding (in percentage)	Nil
4. Description of how there is significant influence	Nil
5. Reason why the associate/Joint venture is not consolidated.	Nil
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
7. Profit or Loss for the year	Nil
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	Nil

Note:

- Names of associates or joint ventures which are yet to commence operations - Nil
- Names of associates or joint ventures which have been liquidated or sold during the year – Nil

Annexure II

Disclosure pursuant to Regulation 14 of SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021

AS ON MARCH 31, 2025

Significant changes/ modifications in the ESOP 2022 Plan during FY 2024-25

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 –

S.No	Particulars	
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	Bucket A	Bucket B	Bucket C	Bucket D
Number of options outstanding at the beginning of the period	2,23,153	32,028	1,80,836	-
Number of options granted during the year	-	-	-	3,374
Number of options forfeited / lapsed during the year	(15,288)	(3,289)	(50,984)	(482)
Number of options vested during the year	1,496	428	-	-
Number of options exercised during the year	(79,379)	(10,557)	-	-
Number of shares arising as a result of exercise of options	79,379	10,557	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	96,04,859	21,114	-	-
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
Number of options outstanding at the end of the year	1,28,486	18,182	1,29,852	2,892
Number of options exercisable at the end of the year	1,496	428	-	-

- 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 - NA
- 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 2025

Name of Senior Management Personnel	Designation	Total No. of options granted	Exercise Price (Rs.)
Sharath Kumar Shetty	Executive Vice President –Group Manufacturing	14,276	121
Sijo Martin Joy	Chief Operating Officer – SRL	14,410	121

- (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

Name of Employee	Designation	Total No. of options granted	Exercise Price (Rs.)
Nil			

- (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;
- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

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.

- (a) Details related to ESOS

Not Applicable

- (b) Details related to SAR

Not Applicable

- (c) Details related to GEBS / RBS

Not applicable

- (d) Details related to Trust

Not Applicable

Annexure III

Declaration by Independent Directors

DECLARATION FROM INDEPENDENT DIRECTORS ON AN ANNUAL BASIS

To
The Board of Directors
Stanley Lifestyles Limited
Dear Members of the Board,

We undertake to comply with the conditions laid down in Section 149(6), Code for independent directors of the Act and Regulation 16(1)(b) of the Listing Regulations.

- a) We declare that up to the date of this certificate, apart from receiving commission for attending Board and Committee Meetings, we did not have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, Senior Management or its Holding Company, its Subsidiary and Associates as named in the Annexure thereto which may affect our independence as Director on the Board of the Company. We further declare that we will not enter into any such relationship/transactions. However, if and when we intend to enter into such relationships/transactions, whether material or non-material, we shall keep prior approval of the Board. We agree that we shall cease to be an Independent Director from the date of entering into such a relationship/ transaction.
- b) We declare that we are not related to Promoters or Persons occupying management positions at Board level or at one level below the Board and also have not been executive of the Company in the immediately preceding three Financial Years.
- c) We were not partners or executives or were also not partners or executives during the preceding three years of any of the following: I. the statutory audit firm or the internal audit firm that is associated with the Company and II. the legal firm(s) and consulting firm(s) that have a material association with the Company III. We have not been material supplier, service provider or customer or lessor or lessee of the Company, which may affect the independence of the Director, and was not a substantial Shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Date: April 01, 2025

Girish Shrikrishna Nadkarni

Independent Director

DIN: 00040971

R V Raghavan

Independent Director

DIN: 06886628

Anusha Shetty

Independent Director

DIN: 01666992

Annexure IV

Particulars of employees

(Pursuant to Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

3(a) Remuneration details of Directors and KMP

The median remuneration of employees of the Company in the last financial year i.e. 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and 2024-25 along with increase in remuneration is provided in the table below:

Name	Director Identification Number (DIN)	Designation	% increase in remuneration of each Director/KMP in FY 24-2025 as compared to FY 23-2024	Ratio of remuneration to MRE* FY 2024-25	Ratio of remuneration to MRE* FY 2023-24
Sunil Suresh	01421517	Managing Director	NA	335.86	613.47
Shubha Sunil	01363687	Whole Time Director	NA	359.85	611.65
Pradeep Kumar Mishra**	NA	Chief Financial Officer	89%	574.91	346.92
Akash Shetty***	NA	Company Secretary and Compliance Officer	82%	62.25	39.03

*MRE – Median Remuneration of Employees

** Mr. Pradeep Kumar Mishra resigned on 13th August 2025

*** Mr. Akash Shetty resigned on 19th June 2025

Notes:

- The remuneration details in the above table pertain to directors and KMP as required under the Companies Act, 2013 and in accordance with the Nomination & Remuneration Policy of the Company.
- Remuneration to KMP includes fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961. Accordingly, the value of stock incentives granted during the period is not included. The number of stock incentives granted in fiscal 2025 is mentioned in the above table. Independent directors are not entitled to any stock incentives
- The total no. of permanent employees was 314 and 294 for FY 2023-24 and FY 2024-25 respectively.
- The MRE was 31,492.94 and 35,952.50 in FY 2023-24 and FY 2024-25, respectively. The increase in MRE in FY 2024-25, as compared to FY 2023-24, is 12.40%

Independent Auditor's/PCS certificate on corporate governance**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.

We have examined all the relevant records of **STANLEY LIFESTYLES LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanation and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations.

For HVS & Associates

Company Secretaries

Firm Unique Code: P2016TN048302

Peer Review No: 5993/2024

Vamsikrishna Kalijavedu

M.No: A48083, CoP: 26018

UDIN:A048083G001090927

Date: August 28, 2025

Place: Bangalore

Annexure V

Secretarial audit report for the financial year ended March 31, 2025

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

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 conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STANLEY LIFESTYLES LIMITED (CIN: L19116KA2007PLC044090)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year 1st April, 2024 to 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, made available to us, according to the provisions of the following Laws and Regulations, as applicable to the Company, during the period of audit:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to extent applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- d. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable)
- f. Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable)
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The Management has identified and confirmed the Sector Specific Laws as applicable to the Company, being in Manufacturing sector as given in Annexure - A.

During the period under review, we have also examined compliance with the applicable clauses of the following:

- a) We have also examined compliance by the Company with the applicable clauses of the Secretarial Standard on Meetings of Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-

2) issued by the Institute of Company Secretaries of India and notified by Central Government under Section 118(10) of the Act which are mandatorily applicable to the Company.

- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder ("the Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

During the year under review,

- a. Mr. Vishal Verma, Nominee Director (DIN: 07056461) has resigned from the Board with effect from, July 12, 2024.
- b. Mrs. Sonakshi Sunil, Director (09387990) was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024

- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Based on the Minutes made available to us, we report that all the Board and Committee decisions were passed unanimously/required majority.
- (iv) As represented by the Management and relied upon the same by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- (v) The Compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws, and other financial laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

- (vi) At its meeting held on September 2, 2024, the Board of Directors approved an investment of Rs.50 Crores to be made in Stanley Retail Limited, a wholly-owned subsidiary of the Company.

- (vii) Pursuant to the listing of the Company's equity shares on June 28, 2024, at BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), and based on the application made to the Registrar of Companies, Bangalore, Karnataka, the Corporate Identification Number (CIN) and status of the Company as reflected on the Ministry of Corporate Affairs ("MCA") website have been updated. Accordingly, the CIN of the Company has been changed from U19116KA2007PLC044090 to L19116KA2007PLC044090, and the status has been updated from "Unlisted" to "Listed".

- (viii) The Company has maintained its books of account using accounting software; however, the audit trail feature was not enabled throughout the year as is required for reporting on preservation of audit trail under Section 128 of the Companies Act, 2013 read with Rule 3(1) of the Companies (Accounts) Rules, 2014.

- (ix) The Company had received show cause notices from the ROC for alleged violations of Sections 118(11), 134(8), 188 (2) and 129 of the Companies Act, 2013:

- a. The Company had received an adjudication order issued by the Registrar of Companies, Bangalore ('RoC') under Section 454 for violation of Section 118(11) of the Companies Act, 2013, imposing penalties of Rs.75,000 on the company and Rs.15,000 each on two directors and the ex-company secretary. Further, the Company filed an appeal to the Regional Director, South East Region, Hyderabad and the Hon'ble Regional Director set aside the said order of the RoC.
- b. The Company had received an adjudication order under Section 454 for violation of Section 134(8) of the Companies Act, 2013, imposing penalties of Rs.3,00,000 on the company and Rs.50,000 each on two directors and the ex-company secretary. Further, the Company filed an appeal to the Regional

Director, South East Region, Hyderabad which was dismissed by the Hon'ble Regional Director

- c. The Company has received an adjudication order under Section 454 for violation of Section 188 (2) of the Companies Act, 2013, imposing penalties of Rs.25,00,000 each on Mr. Sunil Suresh – Managing Director and Mrs. Shubha Sunil – Whole time director. Thereafter, the concerned Directors filed an appeal to the Regional Director, South East Region, Hyderabad.
 - d. The Company had filed an Compounding application under section 129 of the Companies Act, 2013 before the Regional Director, South East Region, Hyderabad.
- (x) In furtherance to the examination of documents of the Company under Section 206 of the Companies Act, 2013 in the year 2022, the Company had received, during the year, a notice under Section 206(3) of the Companies Act, 2013 from the RoC seeking certain documents and information which the Company has duly provided.

We further report that during the audit period:

- a) The Company has listed its equity shares on BSE Limited and National Stock Exchange Limited effective June 28, 2024, pursuant to an initial public offering through an Fresh issue and Offer for Sale, at an issue price of Rs.369/- per equity share (comprising a face value of Rs.2/- and a premium of Rs.367/-). Further, the Company had allotted equity shares against the exercise of the 89,936 Options,

granted to certain employees of the Company at face value of Rs. 2/- each at a exercise price of Rs. 121/- fully paid-up under the Stanley Lifestyles Limited Employee Stock Option Plan 2022' ("ESOP 2022").

- b) During the year under review there were no instances of buy-back of securities.
- c) During the year under review there were no instances of Merger / amalgamation / reconstruction, etc. other events involving the Company.
- d) Foreign technical collaborations- No foreign technical collaborations were entered into by the Company, during the year under review.

For HVS & Associates

Company Secretaries
Firm Unique Code: P2016TN048302
Peer Review No: 5993/2024

Vamsikrishna Kalijavedu

Place: Bengaluru
Date: August 28, 2025

M.No: A48083, CoP: 26018
UDIN: A048083G001090894

This Report is to be read with our letter of even date which is annexed as Annexure and Forms an integral part of this report.

ANNEXURE -A**SECTOR SPECIFIC LAWS AS APPLICABLE TO THE COMPANY, BEING IN MANUFACTURING SECTOR**

- Consumer Protection Act, 2019
- Legal Metrology Act, 2009
- The Bureau of Indian Standards Act, 2016
- The Sale of Goods Act, 1930
- The Information Technology Act, 2000
- Factories Act, 1948
- Shops and establishments legislations
- The Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981.
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- Public Liability Insurance Act, 1991
- Plastic Waste Management Rules, 2016
- Trade Marks Act, 1999
- FEMA NDI Rules 2019
- Central Goods and Service Tax Act, 2017
- Integrated Goods and Services Tax Act, 2017
- Income Tax Act, 1961
- Customs Act, 1962;
- Indian Stamp Act, 1899
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act, 1948
- Maternity Benefit Act, 1961
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Right of Persons with Disabilities Act, 2016
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Contract Labour (Regulation and Abolition) Act, 1970
- Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
- Labour welfare fund legislations
- Trade Unions Act, 1926
- Industrial Disputes Act, 1947

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

The Members,

STANLEY LIFESTYLES LIMITED

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

Our Secretarial Audit Report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Subject to paragraph 1 above of this Annexure, our examination was limited to the verification of procedure on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have relied on the Management Representation from the Company with regard to the compliance of laws, rules and regulations and happenings of events, etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards are the responsibility of the management. Subject to paragraph 1 above of this Annexure, our examination was limited to the verification of procedure on test basis.
- 6) The Secretarial audit 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: 5993/2024

Vamsikrishna Kalijavedu

M.No: A48083, CoP: 26018

UDIN: A048083G001090894

Place: Bengaluru

Date: August 28, 2025

Annexure VI

Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy aims to contribute to sustainable development by supporting initiatives in areas such as education, skill development, healthcare, environmental sustainability, gender equality, preservation of heritage, rural development, and disaster relief. During FY 2024–25, the Company focused its CSR activities primarily on promoting education through school development projects. The CSR Policy is available on the Company's website at: www.stanleylifestyles.com

2. Composition of CSR Committee:

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
Ramanujam Venkat Raghavan	Chairperson	2	2
Anusha Shetty	Member	2	2
Shubha Sunil	Member	2	2
Vishal Verma*	Member	1	1

*Mr. Vishal Verma resigned with effect from 12th July 2024

3. Average net profit of the company for the last three financial years:

FY	Net Profit as per section 198 (in INR million)
Ending 31st March, 2022	162
Ending 31st March, 2023	166
Ending 31st March, 2024	230
Average Net Profit	186

4. Prescribed CSR Expenditure (two percent of the average net profit): **Rs. 4 Million**

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year:
- Amount unspent, if any:
- Total amount spent during the financial year:
- Manner in which the amount spent during the financial year is detailed below:

CSR Project/ Activity identified	Sector	Location	Amount Outlay (Budget)	Amount Spent	Mode of Implementation – Direct or Through Implementing Agency	Name of Implementing Agency
School Project	Education (Covered under Clause (ii): Promoting education, including special education and employment enhancing vocation skills of Schedule VII)	Rural Karnataka	4	4	Through implementing agency	Rotary Club of Bangalore

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount: **NA**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company:

The CSR Committee confirms that the implementation and monitoring of CSR activities are in compliance with the CSR objectives and policy of the Company.

Annexure VII

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the 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 arm’s length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm’s length basis

S. No	Name(s) of the Related Party and Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration	Salient Terms Including Value	Date(s) of Board Approval	Amount Paid as Advance (if any)
NA						

Details of material contracts or arrangement or transactions at arm’s length basis

S. No	Name(s) of the Related Party and Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration	Salient Terms Including Value	Date(s) of Board Approval	Amount Paid as Advance (if any)
NA						

There were no material contracts, arrangements, or transactions requiring disclosure under the Companies Act, 2013.

Annexure VIII

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)

(A) Conservation of energy

(All amounts in Millions, except as otherwise stated)

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

(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:	
a. Details of technology imported.	
b. Year of import.	
c. Whether the technology been fully absorbed	NIL
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
iv. Expenditure incurred on Research and Development	NIL

(C) Foreign exchange earnings and Outgo

	Amt in Rs.
Total Foreign Exchange Earned	0
Total Foreign Exchange Outgo	90,55,03,387

For and on behalf of the Board of Directors

PLACE: Bengaluru
DATE: August 28, 2025

SUNIL SURESH
Managing Director
DIN: 01421517

SHUBHA SUNIL
Whole-time director
DIN: 01363687

Management Discussion and Analysis

Indian Economy

The Indian economy continues to show resilience despite global uncertainties. According to the International Monetary Fund, India's GDP growth is projected to be 6.2% for year 2025 and 6.3% for year 2026, maintaining its position as the fastest-growing major economy.

Inflation has moderated to 4.9% in FY2025, a reduction from 5.4% in FY2024. This decline is largely driven by a fall in food prices, as a result of the government's measures to stabilize inflation, such as strengthening buffer stocks and facilitating smoother supply chains. The Reserve Bank of India is expected to implement a series of rate cuts, totalling at least 75 basis points during year 2025, aimed at supporting economic growth.

India's manufacturing sector has shown growth, with the India Manufacturing PMI staying well above the neutral 50 mark and with a long-term average of 54.1. This expansion is supported by strong demand, particularly from export markets. In FY2025, India's foreign direct investment FDI equity inflows increased by 14%, reaching Rs. 81.04 billion. This growth in FDI is driven by sectors such as services, computer software and hardware, highlighting India's attractiveness as a global investment destination.

However, the economy faces external risks, including rising crude oil prices. These factors, along with ongoing geopolitical tensions, could disrupt trade and affect growth. However, India remains well-positioned to continue its growth trajectory, driven by strong domestic consumption, policy reforms and increased foreign investments.

Sources:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2123826>
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097892>
<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2111647>
https://www.business-standard.com/economy/news/india-final-manufacturing-pmi-may-2025-hsbc-jobs-new-orders-125060200274_1.html
<https://www.pib.gov.in/PressNoteDetails.aspx?NotelId=154840&ModuleId=3>

Luxury Furniture Market

The overall Indian furniture market was valued at USD 24 billion in 2024 and is expected to grow to USD 60 billion by 2033, representing a CAGR of approximately 10%. A key characteristic of the domestic market is the shift towards personalised and premium products crafted from materials such as wood, leather and metal. Major metropolitan regions, including Bengaluru, Mumbai and Delhi, remain strongholds for furniture consumption, driven by modern housing developments and a rising aspirational class.

India's luxury furniture industry continues its upward trajectory, supported by rising disposable incomes, urbanisation and a shift in consumer preferences toward aesthetic and high-end products. The market is estimated to reach USD 4.53 billion

in 2025 and is projected to grow at a CAGR of 4.24% through 2030, driven by increased demand from both residential and commercial sectors. This growth is further supported by the increasing demand of customisable and eco-conscious furniture, particularly among urban consumers seeking modern and space-efficient designs.

Additionally, government initiatives encouraging local manufacturing, combined with 100% FDI allowance in furniture production, are attracting global players to set up sourcing and distribution in India. As the industry matures, innovation, sustainability and design excellence are expected to define its next phase of growth.

Sources

<https://www.indiabusinessstrade.in/blogs/indias-furniture-boom-urbanization-e-commerce-brand-growth/>
<https://www.mordorintelligence.com/industry-reports/luxury-furniture-market-in-india>
<https://www.investindia.gov.in/sector/furniture>

Growth Drivers:

Rising Disposable Incomes

India's increasing disposable income has significantly increased consumer spending, enabling more investments in premium and luxury furniture. With the growing middle class and rising household incomes in cities, the demand for high-quality and aesthetically pleasing furniture continues to rise, particularly in metropolitan regions.

Urbanization and Real Estate Expansion

Urbanization remains a critical factor driving furniture demand. As more people migrate to urban areas, the need for modern, space-efficient and customizable furniture has surged. With projections indicating that 51% of India's population will reside in urban areas by 2047, the housing sector continues to provide substantial opportunities for the furniture industry, particularly in major cities such as Bengaluru, Mumbai and Delhi.

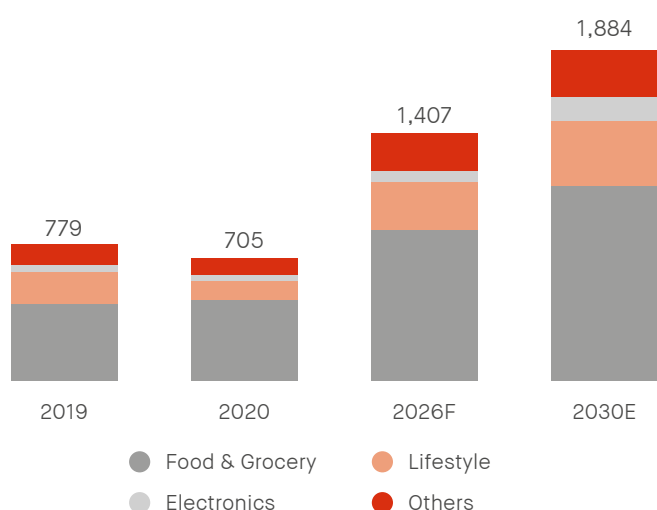
Increased Construction and Real Estate Development

The booming real estate sector has a direct positive impact on furniture sales. With residential and commercial spaces being developed at a rapid pace, the need for furniture, especially high-end and durable has grown. Government initiatives to enhance socio-economic infrastructure have further accelerated demand for furniture in residential and hospitality projects.

Technological Advancements and Customization

Advancements in furniture manufacturing technology, combined with growing demand for customizable solutions, have positioned the industry for further growth. Consumers increasingly prefer personalized furniture that fits their specific needs, enhancing the overall appeal of bespoke offerings in the market.

Retail Market Size (USD Billion)



Source

<https://www.indiabusinessstrade.in/blogs/indias-furniture-boom-urbanization-e-commerce-brand-growth/>

https://www.ibef.org/download/1744008822_Retail-February-2025.pdf#page=11

Company Overview:

Stanley Lifestyles Limited

Founded in 2007, Stanley Lifestyles Limited has emerged as a leading Company in India's luxury furniture market, offering a wide range of premium, luxury and ultra-luxury furniture and home interior solutions. The company designs, manufactures and retails high-end products such as sofas, recliners, dining sets, kitchen cabinetry, beds, wardrobes and accessories

under its distinct brands including Stanley Level Next, Stanley Boutique and Sofas & More. Stanley Lifestyles' vertically integrated model, with two state-of-the-art manufacturing facilities in Bengaluru spanning over 300,000 square feet, allows full control over design, production and retail, ensuring the highest quality standards.

With 68 retail outlets across 24 major cities in India, Stanley Lifestyles operates through a combination of company-owned and franchised stores, strategically expanding its presence in high-opportunity markets. The company's commitment to design-led innovation, skilled craftsmanship and sustainable practices has helped it stay ahead in a competitive market. Stanley Lifestyles continues to build on its strong legacy, addressing the growing demand for luxury and premium home interiors across the country.

Manufacturing:

Stanley Lifestyles operates two advanced manufacturing facilities in Bengaluru, Karnataka, strategically located in Electronic City and Jigani. The Electronic City facility spans 197,643 square feet and has an installed capacity of 163,200 units, while the Jigani facility covers 103,243 square feet with an installed capacity of 144,000 units. These facilities enable Stanley to manufacture a wide range of bespoke furniture and home furnishing solutions under its 3 brands, as well as cater to multinational clients. Equipped with advanced machinery and supported by skilled labor, both units adhere to strict quality control measures to ensure that all products meet international standards. This manufacturing infrastructure supports Stanley Lifestyles' commitment to delivering high-quality, innovative products that meet the evolving demands of the luxury and premium furniture market.

Financials:

Particulars	FY 2025	FY 2024	Y-o-Y (%) Change
Revenue from operations (in Rs. million)	4,262	4,325	-1%
Total income	4,434	4,438	0%
EBITDA	818	849	-4%
EBITDA Margin (%)	19%	20%	-2%
Profit before tax	364	390	-7%
Profit after tax	292	291	0%
Profit after tax margin (%)	7%	7%	1%
Return on Net Worth (%)	8%	12%	-35%

Key Financials Ratios:

Particulars	FY 2025	FY 2024	Y-o-Y (%) Change	Reasons of variance
Current Ratio	3	2	94%	Increase in current assets and decrease in current liabilities of the group during the year has resulted in movement in this ratio
Debt equity ratio	0	1	-49%	Decrease in debt and increase in total equity of the group during the year has resulted in movement in this ratio
Inventory turnover ratio	1	2	-50%	Decrease in Cost of Goods Sold of the Group during the year has resulted in movement in this ratio

Particulars	FY 2025	FY 2024	Y-o-Y (%) Change	Reasons of variance
Trade Receivables Turnover Ratio	17	20	-15%	No material change
Trade Payables Turnover Ratio	4	4	0%	No material change
Net Capital Turnover Ratio		4	-100%	
Net Profit Ratio	7%	7%	1%	No material change
Return on Capital Employed	6%	10%	-45%	Increase in capital employed and decrease in EBIT of the group during the year has resulted in movement in this ratio

Risk Management:

Risk description	Mitigation strategy
Any fluctuations in economic parameters within the Company's operating environment may present economic risks , potentially impacting its sustainable growth. 	The Company continuously monitors economic trends and adapts its business strategies accordingly. This proactive approach helps mitigate the impact of economic fluctuations on business operations.
Stanley Lifestyles' reliance on the sale of sofas and recliners exposes it to concentration risk , which could impact its operational and financial efficiency. 	To mitigate the risks associated with its reliance on sofas and recliners, the Company diversified its portfolio by launching division such as kitchen and cabinet and case goods. This expansion targeted untapped markets, including Gujarat and Chennai. Additionally, the Company opened new Anchor stores to explore new business segments.
Any delays in procuring raw materials may pose a procurement risk , potentially affecting the timely delivery of products. 	The Company diversified its raw material procurement by sourcing from various countries and increased the localization of leather, both in terms of quantity and value. This strategy helped reduce dependence on the purchase of finished leather.
Any changes in rules and regulations pose a regulatory risk to the Company, potentially affecting its operational efficiency. 	The Company has a well-established compliance team and a robust system to streamline processes. Experienced consulting firms have also been engaged to guide the organization through various listing and non-listing compliance requirements. Furthermore, the Company invests in employee training to enhance their efficiency, ensuring effective adherence to regulatory requirements.

Human resource:

The Company consider its employees as its most valuable asset and remains committed to fostering a skilled, motivated and engaged workforce. During the year, Stanley Lifestyles invested in continuous training and development programs to enhance technical, operational and sales capabilities across all levels. The Company places strong emphasis on employee well-being, workplace safety and maintaining a positive work environment that promotes inclusivity and professional growth.

Internal control systems and their adequacy

The Company has established strong internal control systems to safeguard assets, prevent fraud, and ensure the accuracy of financial records. These systems support efficient business operations, compliance with policies, and the timely preparation of reliable financial reports. Regular reviews and updates are conducted, with any necessary adjustments made to align with company policies and industry standards.

Senior management and auditors actively monitor the internal controls, ensuring continuous improvements. These controls strengthen governance, improve operational efficiency, and support the Company's long-term objectives.

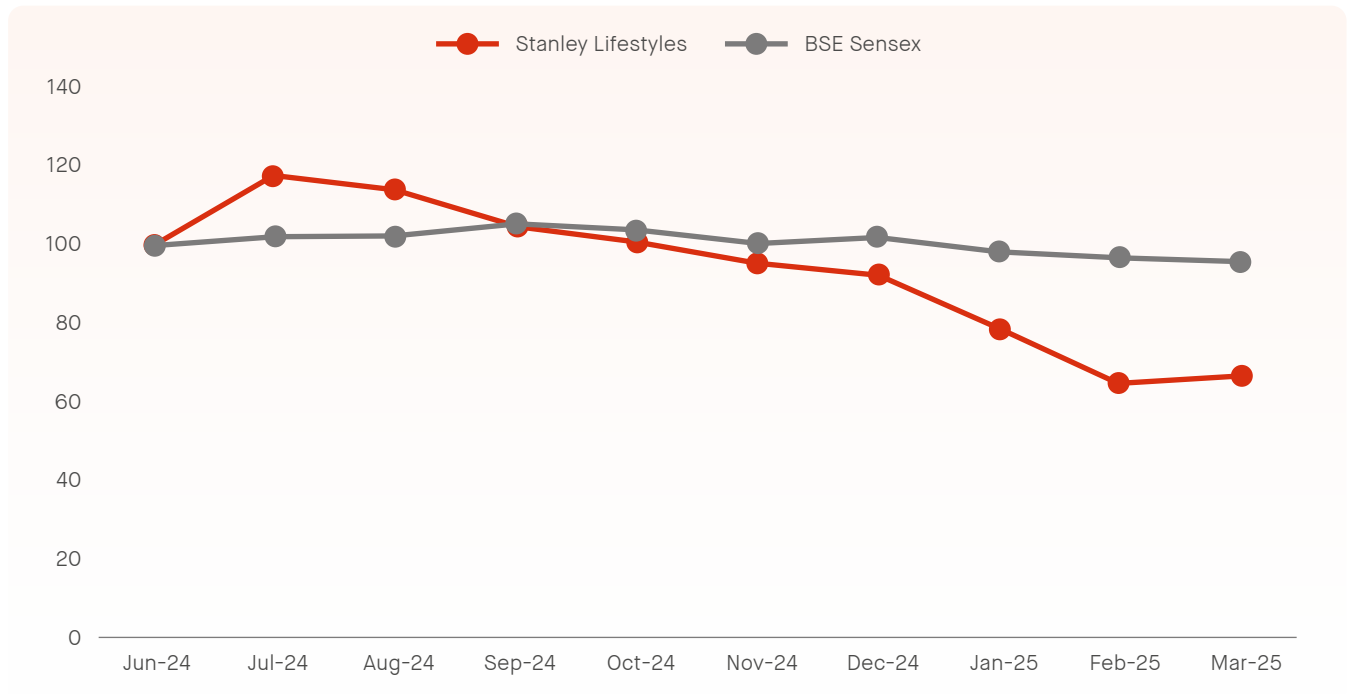
Cautionary statement:

A few forward-looking comments regarding future prospects in the MD&A 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.

Share price performance of the Company in comparison to broad based indices:

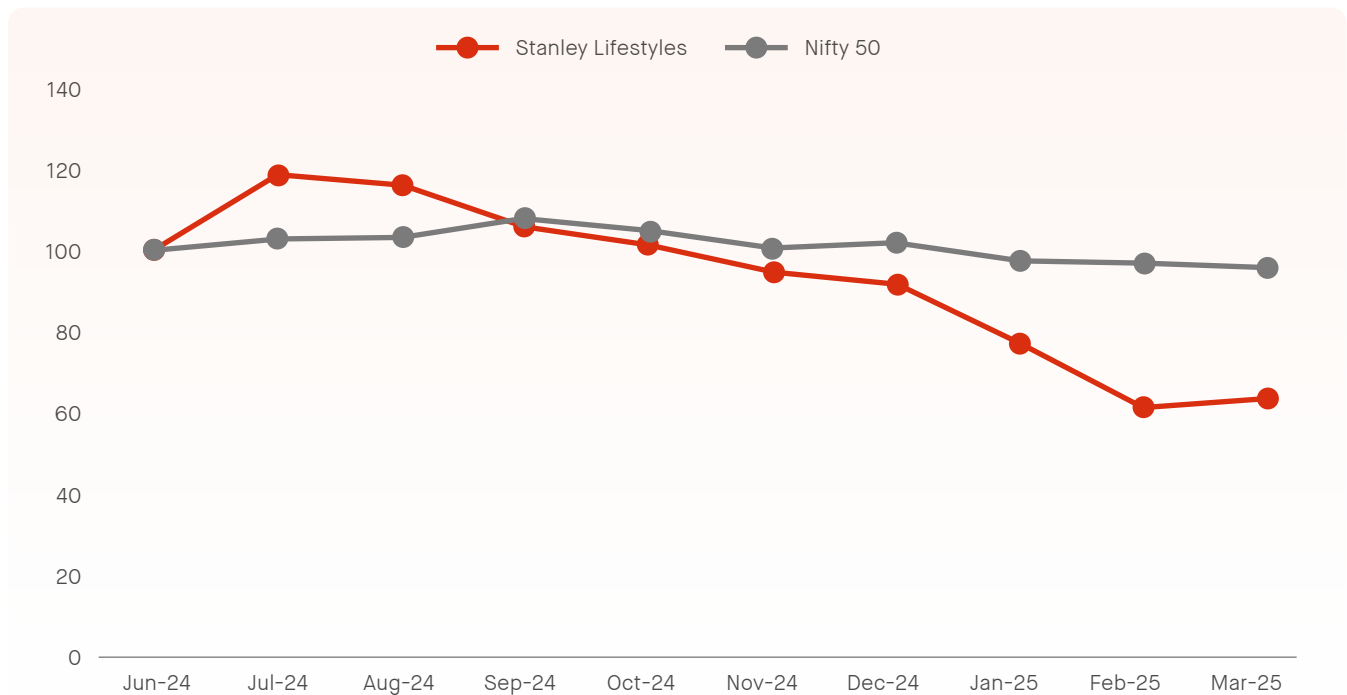
Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex

Base = 100 on Friday, 28th June 2024



Average monthly closing price of the Company's shares on NSE as compared to NSE Nifty

Base = 100 on Friday, 28th June 2024



Report on Corporate Governance

Report on Corporate Governance of **STANLEY LIFESTYLES LIMITED** (SLL/the Company) for the Financial Year ended March 31, 2025, as stipulated in the relevant pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

CORPORATE GOVERNANCE PHILOSOPHY

A brief statement on listed entity's philosophy on code of governance

Effective corporate governance is the cornerstone of sustainable growth, long-term value creation, and the enduring success of any organization. At Stanley Lifestyles Limited, corporate governance is not merely a legal and regulatory obligation—it is an integral part of the Company's core philosophy and strategic management framework.



The Company's corporate governance philosophy is built on a foundation of transparency, accountability, ethical conduct, and stakeholder trust. These principles are deeply embedded in the decision-making processes and operational practices of the Company and are consistently upheld across all levels of the organisation—from the Board of Directors and Senior Management to every employee.

Your Company firmly believes that good governance is critical not only to achieving operational excellence and financial performance, but also to enhancing brand reputation, fostering stakeholder confidence, and sustaining long-term success. It views governance as a value-driven process guided by business ethics, legal compliance, and social responsibility.

In alignment with this belief, Stanley Lifestyles Limited has instituted a robust governance framework comprising comprehensive policies, standard operating procedures,

codes of conduct, and oversight mechanisms. These systems are designed to guide the conduct of the Board, Committees, and Management in a manner that promotes fairness, transparency, and integrity in every aspect of business.

The Company remains fully committed to complying with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, and other relevant laws. Beyond regulatory compliance, the Company proactively adopts progressive governance practices and voluntarily benchmarks its systems against global standards to continuously improve its governance framework.

Stanley Lifestyles Limited actively ensures:

- Timely and accurate disclosure of financial and operational performance.
- Equitable treatment of all shareholders and protection of their rights.
- Ethical conduct in business dealings and adherence to a well-defined Code of Conduct.
- Effective risk management, internal controls, and Board oversight; and
- Promotion of a culture of accountability, innovation, and continuous improvement.

The Company's corporate governance framework is further strengthened by its unwavering commitment to stakeholder inclusivity, environmental and social responsibility, and maintaining a culture of integrity and compliance. As a result, the Company not only meets the expectations of its stakeholders and regulatory bodies but consistently strives to exceed them.

In conclusion, Stanley Lifestyles Limited's governance philosophy reflects its enduring mission to operate with purpose, integrity, and responsibility—ensuring that the Company remains resilient, respected, and future-ready in a dynamic and competitive business environment.

These policies are available on the Company's website: <https://www.stanleylifestyles.com/investors>.

This report highlights the Company's Governance practices for the financial year 2024-25.

I. BOARD OF DIRECTORS

The Board is at the core of our Corporate Governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

a. Composition of Board of Directors

The Board is at the core of the Company's Corporate Governance practices and oversees how the Management serves and protects the long-term interests of all its stakeholders. The Board critically evaluates Company's strategic direction, management policies and their effectiveness. The Company believes that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance. The Board of Directors of the Company has an optimum combination of Executive, Non-Executive Directors and Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 read with rules made thereunder ('the Act') and Regulation 17 of SEBI Listing Regulations.

The Board of Directors comprised of 6 (Six) Directors as on March 31, 2025. The name and categories of Directors, DIN, the number of Directorships, and the list of Listed Entities where he/she is a director along with the category of their Directorships and other details are given hereunder: -

Sl No.	Name of the Director	DIN	Designation	Category
1.	SUNIL SURESH	01421517	Managing Director	Promoter, Executive,
2.	SHUBHA SUNIL	01363687	Whole-time director	Promoter, Executive,
3.	GIRISH SHRIKRISHNA NADKARNI	00040971	Independent Director	Non-Executive, Independent
4.	RAMANUJAM VENKAT RAGHAVAN	06886628	Independent Director	Non-Executive, Independent
5.	ANUSHA SHETTY	01666992	Independent Director	Non-Executive, Independent
6.	SONAKSHI SUNIL	09387990	Director	Promoter, Non-Executive
7.	VISHAL VERMA	07056461	Director	Non-Executive, Nominee

Further, during the year under review there were following changes in the Board:

- Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.
- Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.

The composition of the Board, during the year under review, was in conformity with the provisions of the Companies Act, 2013, as amended ("Act") and the Listing Regulations.

The key decisions are taken after detailed deliberations and discussions by the Board, and it is ensured that the relevant information prescribed to be provided, under the Listing Regulations, is presented to the Board. The Board on a quarterly basis, reviews the compliance reports pertaining to the laws applicable to the Company.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:

- hold directorship in more than 20 (twenty) companies, including 10 (ten) public companies (of which not more than 7 (seven) are listed companies); and
- hold membership of more than 10 (ten) and act as chairman/ chairperson of more than 5 (five) Committees (considering only Audit Committee and / or Stakeholders Relationship Committee) across all public companies (listed or unlisted) in which they are Directors.
- The Managing Director of the Company does not hold any independent directorship in any listed entity.

All the Independent Directors have confirmed that they meet the criteria of independence as stated under Regulations 16(1)(b) read with Regulation 25(8) of the Listing Regulations and Section 149(6) of the Act. The maximum tenure of the Independent Directors is in compliance with the provisions of the Act and the Listing Regulations. Further, in terms of Regulation 26(5) of the Listing Regulations, the Senior Management has complied with the necessary disclosure requirements.

A detailed profile of our director is available on our website: <https://www.stanleylifestyles.com/investors/>

b) Meetings and attendance

During the financial year ended on March 31, 2025, 9 (Nine) Board meetings were held. The Board met atleast once in each calendar quarter and the gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. These meetings were all attended by Directors, Key Managerial Personnel and Special Invitees. The requisite quorum was present during all the Board meetings. Leave of absence was granted to the directors who requested for the same. The Directors were provided all the relevant information and details required for taking informed decisions at the Board meetings. The last Annual General Meeting (being 17th AGM) was held on September 30, 2024. The dates of meetings of the Board, attendance of the Directors thereat and last Annual General Meeting ("AGM") of the Company are as under:

Name	Designation	Board/Committee Memberships in other Companies			Director's Shareholding in number of shares	Attendance / No. of Board Meetings	AGM attendance held on 30th September 2024
		Directorships	Committee Memberships	Committee Chairmanship			
SUNIL SURESH SHUBHA	Managing Director	4	1	-	1,61,93,547	9/9	Present
SUNIL GIRISH SHRIKRISHNA NADKARNI*	Whole-time director	4	1	1	1,61,93,533	9/9	Present
RAMANUJAM VENKAT RAGHAVAN*	Independent Director	-	-	-	-	9/9	Present
ANUSHA SHETTY*	Independent Director	-	-	-	51,989	9/9	Present
SONAKSHI SUNIL**	Non Executive Director	-	-	-	-	8/9	Present
VISHAL VERMA***	Non Executive Director	1	-	-	-	4/9	Present
	Nominee Director	-	-	-	-	5/9	Absent

*Alternate Directorships and Directorships in Private Companies, Section 8 Companies, Foreign Companies are excluded. Committee positions include only the membership of Audit Committee and Stakeholder's Relationship Committee as per SEBI (LODR) Regulations, 2015)

**Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.

***Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.

c) Information placed before the Board

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statutes and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. There has not been any instance of non-compliance. Important operational matters are brought to the notice of the Board at its meetings and various departmental heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

e) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / competencies identified by the Board of Director as required in the context of the Company's business and that the said skills are available with the Board Members. The details of Directors of the Company who possess those skills/ expertise/competencies are as given below:

Name of the Director	Leadership Experience	Experience of crafting Business Strategies	Finance and Accounting Experience	Understanding of customer insights in diverse environment and conditions	Corporate Governance
Mr. SUNIL SURESH	✓	✓	✓	✓	✓
Mrs. SHUBHA SUNIL	✓	✓	✓	✓	✓
Mr. GIRISH SHRIKRISHNA NADKARNI	✓	✓	✓	✓	✓
Mr. RAMANUJAM VENKAT RAGHAVAN	✓	✓	✓	✓	✓
Ms. ANUSHA SHETTY	✓	✓	✓	✓	✓
Mrs. SONAKSHI SUNIL**	✓	✓	✓	✓	✓
Mr. Vishal Verma*	✓	✓	✓	✓	✓

Notes: -

*Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.

**Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.

f) Separate meeting of the Independent Directors

During the year under review, the Independent Directors met on June 13, 2024 and February 07, 2025, without the presence of Non-Independent Directors and Management representatives, inter-alia, to discuss the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board, that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the said meetings.

and duties. Conducted at the time of appointment and on a continual basis, familiarisation is imparted through induction sessions by the Managing Director, regular Board and Committee presentations, and direct interactions with senior management on key areas such as operations, financial performance, risk management, internal controls, regulatory changes, and competitive developments. These initiatives enable Independent Directors to remain well-informed and actively contribute to strategic discussions and decision-making. Pursuant to Regulation 46 of the SEBI Listing Regulations.

g) Familiarisation Programme for Independent Directors

In accordance with the provisions of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a structured familiarisation programme for its Independent Directors, which also extends to other Non-Executive Directors. This programme is designed to provide Directors with insights into the Company's business model, retail industry landscape, strategic priorities, governance framework, and their roles, responsibilities, rights,

h) Remuneration of the Directors

The Board of Directors, vide resolution dated August 22, 2023, approved the payment of sitting fees payable to Directors for attending the Board Meetings and Committees meetings of the Company in the following manner: -

Particulars	Amount (in Rs.)
For each meeting of the Board	75,000
For each meeting of the Audit Committee	50,000
For each meeting of the Nomination and Remuneration Committee	50,000

The details of remuneration paid to the Directors during the year under review are as follows: -

Name of the Director	Sitting fees (in Rs. Million)	Salary (in Rs. Million)	Profit sharing Commission (in Rs. Million)	Total (in Rs. Million)
Mr. SUNIL SURESH	-	19	-	19
Mrs. SHUBHA SUNIL	-	19	-	19
Mr. GIRISH SHRIKRISHNA NADKARNI	1.175	-	-	1.175
Mr. RAMANUJAM VENKAT RAGHAVAN	0.975	-	-	0.975
Ms. ANUSHA SHETTY	0.75	-	-	0.75
Mrs. SONAKSHI SUNIL	0.325	-	-	0.325
Mr. Vishal Verma	0.18	-	-	0.18

Notes: -

- (a) Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.
- (b) Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.

i) Number of shares held by Directors and Key Managerial Personnel

The number of shares and convertible instruments held by Directors and Key Managerial Personnel ('KMP') of the Company as of March 31, 2025, are as under: -

Name of the Director	Designation	Number of equity shares	Number of convertible instruments
Mr. SUNIL SURESH	Managing Director	1,61,93,547	-
Mrs. SHUBHA SUNIL	Whole-time director	1,61,93,533	-
Mr. GIRISH SHRIKRISHNA NADKARNI	Independent Director	-	-
Mr. RAMANUJAM VENKAT RAGHAVAN	Independent Director	51,989	-
Ms. ANUSHA SHETTY	Independent Director	-	-
Mrs. SONAKSHI SUNIL	Director	-	-
Mr. Vishal Verma	Director	-	-
Mr. Pradeep Kumar Mishra	CFO	-	-
Mr. Akash Shetty	Company Secretary and compliance officer	-	-
Mr. Rasmi Ranjan Naik	Company Secretary and compliance officer	-	-
Mr. J K Sharath	CFO	-	-

Note:

- (a) Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.
- (b) Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.
- (c) Mr. Pradeep Kumar Mishra resigned on 13th August 2025
- (d) Mr. Akash Shetty resigned with effect from 19th June 2025
- (e) Mr. Rasmi Ranjan Naik was appointed with effect from 13th August 2025
- (f) Mr. J K Sharath was appointed on 13th August 2025

j) Code of Conduct

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have confirmed compliance with the Code for the financial year ended March 31, 2025, in terms of Regulation 26(3) of the SEBI Listing Regulations and a declaration from the Chairman and Managing Director to that effect is given at the end of this report.

All the Directors and Senior Management of the Company have affirmed compliance with this Code and a declaration to that effect by Managing Director is attached to this report as an annexure to this report.

Details of the Code of Conduct for Board of Directors and Senior Management Personnel is available on the website of the Company i.e., <https://www.stanleylifestyles.com/investors/policies>

k) Reason for resignation of an Independent Director

During the year under review, no independent director resigned.

II. Committees of the Board

a) Composition of the Board

The Committees of the Board play a pivotal role in the governance framework and the oversight of the Company's day-to-day operations. These Committees are constituted to focus on specific functional areas that warrant in-depth analysis

and supervision. Each Committee comprises an appropriate mix of Executive, Non-Executive, and Independent Directors, as mandated by applicable laws, regulations, and statutory guidelines.

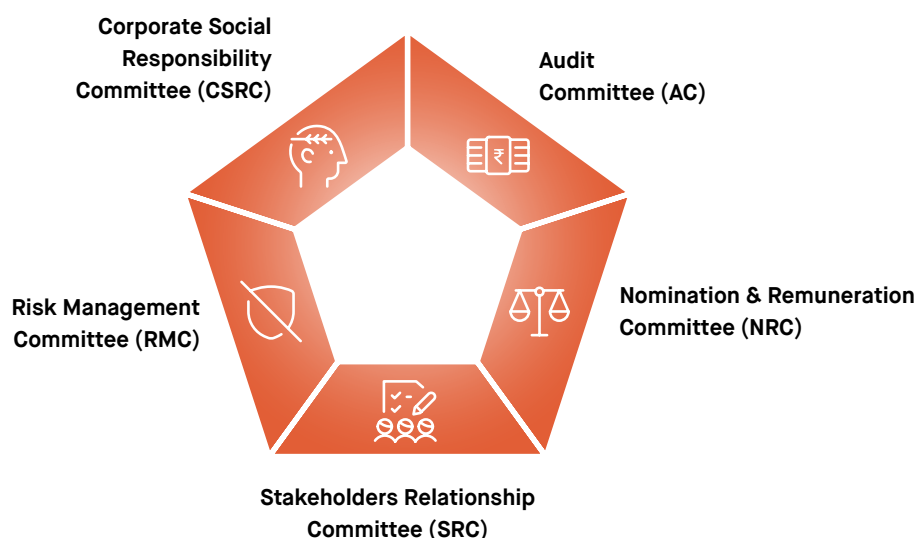
The Board is entrusted with the authority to constitute these Committees, define their scope, and determine their terms of reference in accordance with prevailing regulatory requirements. The Committees convene at regular intervals to discharge their responsibilities as delegated by the Board, ensuring effective execution and monitoring.

There exists an effective and transparent flow of information between the Committees and the Board. The Committees regularly apprise the Board of their observations, recommendations, and decisions, thereby enabling the Board to maintain strategic oversight.

The proceedings of each Committee meeting are recorded in the form of draft minutes, which are circulated to the respective Committee Members for review and confirmation. Upon confirmation, the minutes are duly signed by the Chairperson of the respective Committee.

The following statutory Committees have been constituted by the Board and were in force, during the year under review:

- a) Audit Committee.
- b) Nomination and Remuneration Committee.
- c) Stakeholders Relationship Committee.
- d) Risk Management Committee; and
- e) Corporate Social Responsibility Committee.



AUDIT COMMITTEE

In line with Regulation 18 read with Part C of Schedule II of the Listing Regulations and Section 177 of the Act and Rules framed thereunder, your Company has constituted the AC. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent Directors. All Audit Committee members are financially literate. AC met 6 (Six) times, during the year under review i.e. **June 7, 2024, July 19, 2024, August 14, 2024, September 2, 2024, November 12, 2024, and February 12, 2025.** The Composition of AC along with the details of the meetings held and attended by the members, are as follows:

The Managing Director and Chief Financial Officer are the permanent invitees to AC Meetings. The Company Secretary acts as Secretary to the Committee. AC invites such other official(s) / executive(s), as it may considers appropriate to be present at the meeting(s). The representatives of the Internal Auditors and Statutory Auditors are also present at AC Meetings. The Chairman of AC was present at 17th Annual General Meeting of the Company held on September 30, 2024.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Audit Committee is as follows

Name of Member	Designation	Category	No. of Meetings Attended / Held
Girish Shrikrishna Nadkarni	Chairman	Independent Director	6/6
Ramanujam Venkat Raghavan	Member	Independent Director	6/6
Shubha Sunil	Member	Whole-time director	6/6

Terms of Reference of Audit Committee: -

Powers of Audit Committee-

The Audit Committee shall have powers, including the following:

- to seek information from any employee
- to obtain outside legal or other professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee - The role of the Audit Committee shall include the following:

- oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible.

- recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee.
- approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- formulation of a policy on related party transactions, which shall include materiality of related party transactions.
- Following information shall be provided by the Company to Audit Committee for approval by the Audit Committee for a proposed related party transaction: -
 - Type, material terms and particulars of the proposed transaction.
 - Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).
 - Tenure of the proposed transaction (particular tenure shall be specified).
 - Value of the proposed transaction.
 - The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).

If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary

- details of the source of funds in connection with the proposed transaction.
- where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments
- nature of indebtedness, cost of funds and tenure.
- applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis

- reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.
- examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval
- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services.
- looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- reviewing the functioning of the whistle blower mechanism.
- monitoring the end use of funds raised through public offers and related matters.
- overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases.

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(z)(c) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- scrutiny of inter-corporate loans and investments.
- valuation of undertakings or assets of the Company, wherever it is necessary.
- evaluation of internal financial controls and risk management systems.
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- discussion with internal auditors of any significant findings and follow up there on.
- 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, background, etc. of the candidate
- reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing.
- carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders; and
- Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations, and other applicable provision

NOMINATION & REMUNERATION COMMITTEE

In line with Regulation 19 read with Part C of Schedule II of the Listing Regulations and Section 178 of the Act and Rules framed thereunder, your Company has constituted the NRC. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent Directors. NRC met 4 (Four) times, during the year under review i.e. **June 7, 2024, August 14, 2024, September 2, 2024 and February 12, 2025.**

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Nomination & Remuneration Committee is as follows

Name of Member	Designation	Category	No. of Meetings Attended / Held
Anusha Shetty	Chairperson	Independent Director	3/4
Girish Shrikrishna Nadkarni	Member	Independent Director	4/4
Vishal Verma	Member	Non- Executive Nominee Director	1/1
Sonakshi Sunil	Member	Non- Executive director	2/2

Note:

- (a) Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.
- (b) Mrs. Sonakshi Sunil was appointed as an Additional Director by the Board at its meeting held on August 14, 2024. Her appointment was subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 2024.

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference of Nomination and Remuneration Committee are as follows:-

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel, and other employees ("Remuneration Policy").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully; and

- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- Formulation of criteria for evaluation of independent directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend their appointment to the Board and removal and carrying out evaluation of every director's performance (including independent director);
- Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting of a fixed and variable component.
- Analysing, monitoring, and reviewing various human resource and compensation matters.
- Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.
- Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable.
- Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, the Company and its employees, as applicable.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the

Board for appointment as an independent director shall have the capabilities identified in such description. For identifying suitable candidates, the Committee may:

- use the services of an external agency, if required.
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.
- Administering the employee stock option scheme/ plan approved by the Board and the shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any.
- Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme.
- Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

Performance evaluation of the Board

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual directors was conducted during the year in compliance with provisions laid down under Regulation 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 read with Schedule IV of Companies Act, 2013. The evaluation was carried out based on the criterion and framework approved by the Nomination and Remuneration Committee.

The process of performance evaluation is based on the evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others include their attendance and contribution at the meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on the Board/ Committees and adherence to the Code of Conduct etc.

Based on the said evaluation forms, the Independent Directors in their meeting held on February 7, 2025 reviewed the performance of non-independent directors and the board of directors as a whole, reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors and assessed the quality, quantity and timeliness of flow of information between management and Board of Directors that is necessary for

them to effectively and reasonably perform their duties. Subsequently, the Nomination and Remuneration Committee and Board took note of the same on the basis of evaluation forms received from all the Directors except the Director being evaluated.

STAKEHOLDERS RELATIONSHIP COMMITTEE

In line with Regulation 20 read with Part C of Schedule II of the Listing Regulations and Section 178 of the Act and Rules framed thereunder, your Company has constituted the SRC. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent Directors. SRC met once, during the year under review i.e. **February 07, 2025**.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Stakeholders Relationship Committee is as follows

Name of Member	Designation	Category	No. of Meetings
			Attended / Held
Girish Shrikrishna Nadkarni	Chairperson	Independent Director	1/1
Anusha Shetty	Member	Independent Director	1/1
Sunil Suresh	Member	Managing Director	1/1

Terms of Reference of Stakeholder Relationship Committee: -

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following: -

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures or deposits from shareholders/ public deposits, including non-receipt of share or debenture certificates of deposit certificate and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- review of measures taken for effective exercise of voting rights by shareholders.
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and dematerialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services.
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority. Details of Shareholder's/ Investor's complaints received and resolved during the year: -

Complaints pending as on April 1, 2024	Received during the year	Resolved during the year	Complaints pending as on March 31, 2025
NA	61	61	Nil

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

RISK MANAGEMENT COMMITTEE

In line with Regulation 21 read with Part C of Schedule II of the Listing Regulations, your Company has constituted the RMC. The Committee comprises of 2(two) Directors and 1(one) KMP. RMC met once, during the year under review i.e. February 07, 2025.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Risk Management Committee is as follows

Name of Member	Designation	Category	No. of Meetings Attended / Held
Ramanujam Venkat Raghavan	Chairperson	Independent Director	1/1
Shubha Sunil	Member	Whole Time Director	1/1
Pradeep Kumar Mishra	Member	Chief Financial Officer	1/1
JK Sharath	Member	Chief Financial Officer	NA

Note

- (a) Mr. Pradeep Kumar Mishra resigned on 13th August 2025
 (b) Mr. J K Sharath was appointed on 13th August 2025

Terms of Reference of Risk Management Committee-

- To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof.
- To implement and monitor policies and/or processes for ensuring cyber security;
- To frame, devise and monitor risk management plan and policy of the Company;
- To review and recommend potential risk involved in any new business plans and processes;
- To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- Monitor and review regular updates on business continuity;
- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In line with Section 135 of the Act and Rules framed thereunder, your Company has constituted the CSR Committee. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent Directors. CSR Committee met twice, during the year under review i.e. June 07, 2024 and February 07, 2025.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the CSR Committee is as follows

Name of Member	Designation	Category	No. of Meetings Attended / Held
R V Ragavan	Chairperson	Independent Director	2/2
Anusha Shetty	Member	Independent Director	2/2
Shubha Sunil	Member	Whole Time Director	2/2
Vishal Verma	Member	Non Executive Nominee Director	1/1

Note:

- (a) Mr. Vishal Verma ceased to be a Nominee Director with effect from July 12, 2024.

Terms of References of Corporate Social Responsibility Committee: -

- formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;
- identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- review and monitor the implementation of corporate social responsibility programmes and issuing necessary

directions as required for proper implementation and timely completion of corporate social responsibility programmes;

- any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and
- exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

III. 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

IV. 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	19 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	19 Million

Payment to Non- Executive Directors

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

Name	Sitting fees (in Rs. Million)	Independent Director fee (in Rs. Million)	Total (in Rs. Million)
Girish Nadkarni	1.175	-	1.175
Ramanujam Venkat Raghavan	0.975	-	0.975
Anusha Shetty	0.75	-	0.75
Vishal Verma	0.18	NA	0.18
Sonakshi Sunil	0.325	NA	0.325

a. 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.

b. 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/pdf/policy/Policy_Nomination%20and%20Remuneration.pdf

V. 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
FY - 2023-24	In compliance with the applicable provisions of the Act and the Listing Regulations, read the with MCA Circulars and SEBI Circular, the 17th AGM of the Company was convened as an e-AGM.	17th AGM	30th September 2024 4:30 PM
FY - 2022-23	Registered office of the Company at SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100	16th AGM	26th September 2023 4:00PM
FY - 2021-22	Registered office of the Company at SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100	15th AGM	30th September 2022 4:45PM

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

Financial Year	AGM	Date	Particulars
FY - 2023-24	17th AGM	30th September 2024	i. Ratification of the 'Employee Stock Option Plan 2022' ii. Ratification of grant of employee stock options to the employees of group company(ies) including subsidiary company(ies) or associate company(s) under 'Employee Stock Option Plan 2022' iii. To approve material related party transactions of unlisted subsidiaries.
FY - 2022-23	16th AGM	26th September 2023	NIL
FY - 2021-22	15th AGM	30th 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

VI. MEANS OF COMMUNICATION:

The quarterly and annual Financial Results for the Company and consolidated Financial Results along with the wholly owned subsidiaries are published in newspapers within 48 hours of the Board Meeting, generally "Financial Express" (English Daily) and "Vijay Karnataka" (Kannada Daily) and the same are also posted on the Company's website immediately.

At the end of each quarter, the Company arranges a conference call with the analysts in order to clarify their doubts and queries as regards quarterly financial performance. The transcript thereof is posted on the Company's website. Presentations made to institutional investors/analysts are also displayed on the Company's website.

Price-sensitive information, quarterly and annual Financial Results, Shareholding Pattern and matters that are material to shareholders are disclosed to the Stock Exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The same is also published on the Company's website. The Company interacts on a regular basis with stakeholders through announcements, investor meetings, investor calls, annual report, results, press releases, media interactions, interviews and the Company's website.

In line with the “Green Initiative” undertaken by the Ministry of Corporate Affairs, the Company will be sending this year’s Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company/ Depository. The Annual Reports of the Company are also available in the Investor Relations section of the Company’s website.

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	
Financial Year	April 01, 2024 to March 31st 2025
Date of Book Closure/Record Date	As mentioned in AGM Notice
Dividend Payment date	The Board of Directors of your Company have not declared any dividend for the financial year 2024-25
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 2024-25.
Stock code (BSE)	544202
Scrip code (NSE)	STANLEY
ISIN Number (for Demat Trading)	INE01A001028
Depository Connectivity	NSDL & CDSL
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
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. Rasmi Ranjan Naik
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 Directors’ report.

a) Market Price data

The details of monthly high, low (based on daily closing prices) and number of equity shares traded during each month in FY 2024-25 on NSE and BSE are given below:

Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	No. of Shares Traded	High (in Rs.)	Low (in Rs.)	No. of Shares Traded
July 2024	627.3	481.85	2485504	627.5	484.6	2,70,98,351
August 2024	623.75	504	529481	623	504	43,93,708
Sept 2024	532.4	477.45	361330	532	477	25,93,778
October 2024	519.25	440	285368	519.4	439.2	27,76,630
Nov 2024	495	408	172483	495	407.1	14,50,402
Dec 2024	460.4	409.1	134949	462	409	13,58,093
Jan 2025	429.3	316.65	181403	427	316.4	16,49,882
Feb 2025	378.5	261.1	211587	377.05	261	21,76,376
Mar 2025	360.95	259.25	255389	361.7	258.6	39,68,320

[Source: This information is compiled from the data available from the website of BSE & NSE]

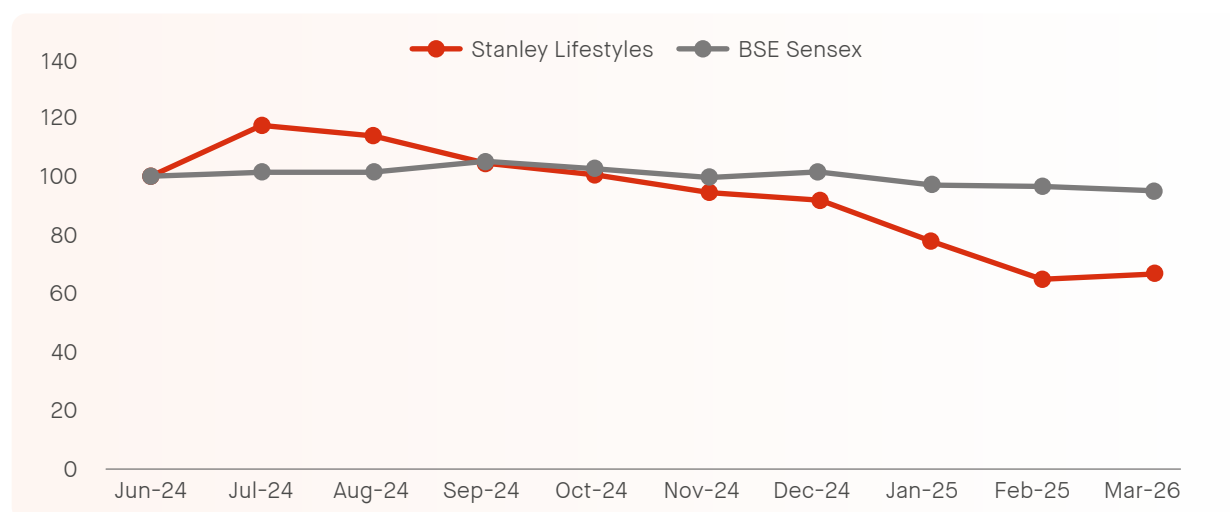
Note:

The Company was listed from June 2024

b) Share price performance of the Company in comparison to broad based indices:

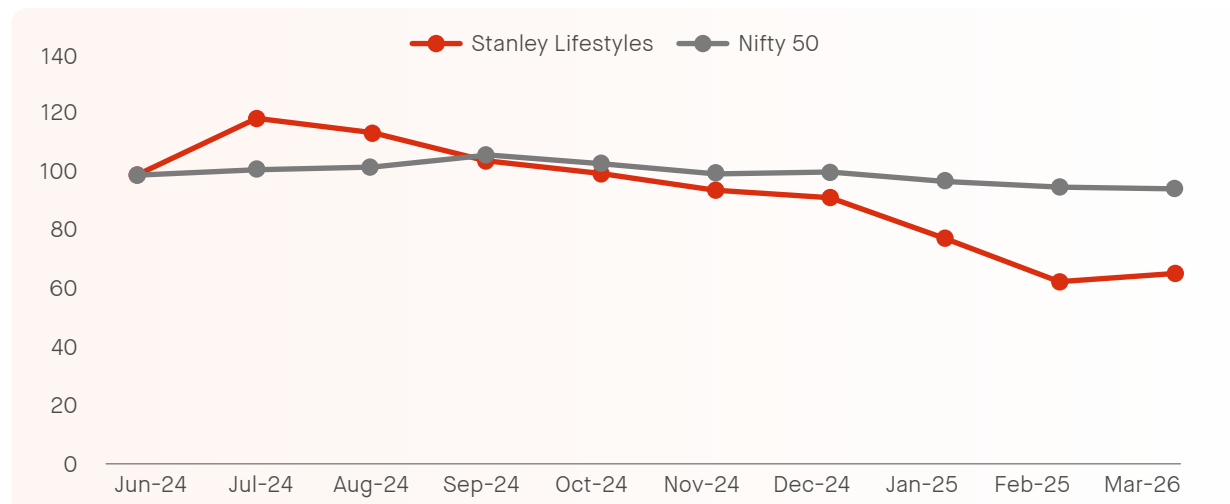
Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex

Base = 100 on Friday, 28th June 2024



Average monthly closing price of the Company's shares on NSE as compared to NSE Nifty

Base = 100 on Friday, 28th June



c) Distribution of Shareholding

S.No	No. of Shares	No. of Shareholders	% of Total Shareholders	Share Amount (in Rs.)	% of Total Share Amount
1	1-5000	78,433	99.68	1,14,69,356.00	10.04
2	5001- 10000	131	0.17	9,38,720.00	0.82
3	10001- 20000	51	0.06	7,75,896.00	0.68
4	20001- 30000	21	0.03	5,38,552.00	0.47
5	30001- 40000	5	0.01	1,88,200.00	0.16
6	40001- 50000	2	0.00	97,992.00	0.09
7	50001- 100000	13	0.02	9,75,080.00	0.85
8	100001& Above	26	0.03	9,92,30,520.00	86.88

d) Shareholding Pattern

Shareholding by category as on March 31, 2025

Category	No. of shareholders	No. of Shares held	% of Shareholding
Promoters	3	3,23,91,973	56.73
Bodies Corporate	181	10,39,665	1.82
Mutual Funds	12	1,13,85,164	19.94
Non-Resident Indians	558	2,42,446	0.42
Foreign Portfolio Investors (Corporate)	11	27,52,500	4.82
Qualified Institutional Buyers (QIBs)	1	5,03,617	0.88
HUF	1,658	2,63,100	0.46
Resident Individuals /others	76,258	85,28,693	14.93
Total	78,682	5,71,07,158	100.00

e) Dematerialisation of shares and liquidity

The equity shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Numbers (ISINs) of the Company is INE01A001028 obtained from National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2025, the issued, subscribed and paid-up equity share capital of the Company were held in physical and dematerialized form in the following manner: -

Name of the depository	No. of shareholders	No. of equity shares	% of holding
Physical	1	2	0.00
National Securities Depository Limited	19,992	5,26,99,811	92.28
Central Depository Services (India) Limited	58,689	44,07,345	7.72
Total	78,682	5,71,07,158	100.00

f) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2025.

g) Fees paid to Statutory Auditors

During the year under review, following fees was paid to the Statutory Auditors of the Company: -

Particulars	Financial Year 2024-25 (in INR Million)
Statutory audit fee	6
Limited review report	2
Other	0
Total	8

h) Address and contact details for correspondence

Mr. Rasmi Ranjan Naik

Company Secretary and Compliance Officer

Stanley Lifestyles Limited

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

Email id – compliance@stanleylifestyles.com

Website- www.stanleylifestyles.com

b. Details of non-compliance on matters relating to Capital Market

Equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited w.e.f. June, 2024. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. During the period under review, there were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/ or any other statutory authorities on matters relating to capital market.

VIII. OTHER DISCLOSURES**a. Related Party Transactions, Conflict of Interest & Material Subsidiaries**

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/pdf/policy/Policy%20on%20materiality.pdf>

c. Prevention of Insider Trading

In accordance with the SEBI PIT Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure"). The Board has also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI PIT Regulations. The Code for Prevention of Insider Trading and Code of Fair Disclosure is available on the Company's website.

d. Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations. The Company has adopted the non-mandatory requirements as applicable and feasible. Disclosures of the extent to which the discretionary requirements have been adopted are given elsewhere in this Report.

e. Details of Material Unlisted Subsidiaries

As defined in Regulation 16(1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of material subsidiaries, during the financial year 2024-25, are given below:

Name	Date of incorporation	Place of incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditors
Stanley Retail Limited	26/05/2008	India	Deloitte Haskins & Sells LLP	30/09/2024
Stanley OEM Sofas Limited	30/12/2015	India	Deloitte Haskins & Sells LLP	27/09/2024
Shrasta Décor Private Limited	18/07/2017	India	Deloitte Haskins & Sells LLP	27/09/2024

The Board periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies. Copies of the Minutes of the Board Meetings of the unlisted subsidiary companies were placed, as applicable, at the Board Meetings of the Company held during the Financial Year.

The Company has framed the Policy for determining material subsidiary and the same is disclosed on the Company's website at <https://www.stanleylifestyles.com/investors/policies>

f. Disclosure of commodity price risks and commodity hedging activities

The Company does not deal in commodities and hence disclosure with regard to commodity price risks and commodity hedging activities was not applicable to the Company, for the year under review.

g. Proceeds from preferential allotment or qualified institutions placement

The Company has not raised any amount from preferential allotment or qualified institutional placement, etc., during the year under review.

h. Code of Conduct

The Company is committed to compliance with all laws and regulations that apply to it, with the spirit and intent of high business ethics, honesty and integrity. In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time ("the SEBI Regulations"), the Board has formulated its own code termed as 'Stanley Lifestyles Limited's Insider Trading Code' and 'Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)', for regulating, monitoring and reporting trading by Designated Persons and their immediate relatives.

The Company reviews and updates these codes, from time to time to bring them in line with the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further to ensure compliance the SEBI Regulations and the aforesaid codes.

i. Compliance Report on Corporate Governance

The Company submits on quarterly basis a compliance report on corporate governance in the

format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/ observations/advice, if any.

j. Disclosure of Accounting Treatment

The Financial Statements of the Company comply with the Accounting Standards referred to in the Act.

k. MD & CFO Certificate

As required under Regulation 17(8) of the Listing Regulations, the Managing Director (MD) and the Chief Financial Officer (CFO) of the Company have furnished to the Board, a certificate regarding the Financial Statements for the year ended March 31, 2025, which is annexed to this Report as Annexure I

The Practicing Company Secretary M/s. HVS & Associates, Practicing Company Secretaries have issued certificate pursuant to the provisions of the Listing Regulations, certifying that as on March 31, 2025, none of the directors of the Company have been debarred or disqualified from being appointed/ re-appointed or continuing as directors of the Company, by the Securities and Exchange Board of India / The Ministry of Corporate Affairs. The said certificate is annexed to this Report as Annexure II

l. Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III as per Listing Regulations.

Annexure I

MD AND CFO CERTIFICATION

To
The Board of Directors
Stanley Lifestyles Limited
Dear Members of the Board,

We, Sunil Suresh, Managing Director, and Pradeep Kumar Mishra, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended March 31, 2025.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
 - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board (and persons performing the equivalent functions):
 - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal

controls over financial reporting including any corrective actions with regard to deficiencies.

- b. Any significant changes in internal controls during the year covered by this report.
- c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
- d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role

in the Company's internal control system over financial reporting.

- 7. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 8. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Sunil Suresh

Managing Director
DIN: 01421517

Pradeep Kumar Mishra

Chief Financial Officer

Annexure II

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: L19116KA2007PLC044090** 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, 2025 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 and subsequently approved by the shareholders at the 17th Annual General Meeting held on September 30, 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: 5993/2024

Vamsikrishna Kalijavedu

M.No: A48083, CoP: 26018

UDIN: A048083G001090949

Date: August 28, 2025

Place: Bangalore

Annexure III

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
of **STANLEY LIFESTYLES LIMITED**

We, HVS & Associates, Company Secretaries in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting held on July 17, 2024 by the Board of Directors of STANLEY LIFESTYLES LIMITED (hereinafter referred to as 'the Company'), having CIN: L19116KA2007PLC044090 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. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the year ended 31st March 2025.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

Our responsibility is to verify the Company's compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, based on the documents, disclosures, and explanations provided by the Company. This certificate is issued in accordance with professional standards prescribed by the Institute of Company Secretaries of India. It is not an audit or investigation. The authenticity of the information rests with the Company's management, and our verification is limited to the scope and purpose of this certification.

Verification:

The Company has implemented the Stanley Lifestyles Limited Employee Stock Option Plan 2022 ("ESOP 2022") in accordance with applicable regulations and the Special Resolutions passed by the members at the Annual General Meeting held on September 30, 2022. The plan was thereafter modified by the members at the Extra-Ordinary General Meeting held on August 31, 2023. Subsequently, post listing of the Company shares on the BSE and NSE on June 28, 2024, the ESOP 2022 was ratified by the members at the 17th Annual General Meeting held on September 30, 2024, to ensure compliance with Regulation 12(1)(ii) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Employee Stock Option Plan 2022 furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed at the General Meeting(s);
5. Special resolution on Stanley Lifestyles Limited-Employees Stock Option Plan-2022 passed by the members;
6. Shareholders resolution passed at General Meetings w.r.t variation in the scheme ;
7. Minutes of the meetings of the Nomination and Remuneration Committee;
8. Relevant Accounting Standards as prescribed by the Central Government;
9. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10(c) of these Regulations;
10. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
11. Other relevant document/ filing/ records/ information such as MGT-14, PAS-3, etc. as sought and made available to us and the explanations provided by the Company.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the Stanley Lifestyles Limited – Employee Stock Option Plan 2022 ("ESOP 2022") in accordance with applicable regulations and the resolutions passed by the members as detailed above.

For HVS & Associates

Company Secretaries

Firm Unique Code: P2016TN048302

Peer Review No: 5993/2024

Vamsikrishna Kalijavedu

M.No: A48083, CoP: 26018

UDIN: A048083G001090960

Date: August 28, 2025

Place: Bangalore

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L19116KA2007PLC044090
2.	Name of the Listed Entity:	STANLEY LIFESTYLES LIMITED
3.	Year of incorporation:	2007
4.	Registered office address:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore-560100, Karnataka, India
5.	Corporate address:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore-560100, Karnataka, India
6.	E-mail:	compliance@stanleylifestyles.com
7.	Telephone:	080 6895 7200
8.	Website:	www.stanleylifestyles.com
9.	Financial year for which reporting is being done:	2024-25
10.	Name of the Stock Exchange(s) where shares are listed:	National Stock Exchange of India Limited, BSE Limited
11.	Paid-up Capital:	Rs. 11,42,14,316/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Mr. Sunil Suresh, 080 6895 7200
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone
14.	Name of Assurance provider	Not Applicable
15.	Type of Assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	Furniture, other home furnishing related products and OEM	The Company manufactures, imports and sells furniture, other home furnishing related products and OEM	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Furniture, other home furnishing related products and OEM	3100	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

19. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	11
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL**c. A brief on types of customers**

The customers of the company are like – Corporates, Super High Net Worth Individuals, High Net Worth Individuals.

IV. Employees**20. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	331	269	81.27	62	18.73
2.	Other than Permanent (E)	846	772	91.25	74	8.75
3.	Total employee (D + E)	1177	1041	88.45	136	11.55
WORKERS						
4.	Permanent (F)	143	127		16	
5.	Other than Permanent (G)	410	354		56	
6.	Total workers (F + G)	553	481		72	

b. Differently abled Employees and workers: NIL

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

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	3	50%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.33%	1.59%	3.09%	3.61%	0.00%	3.15%	4.53%	0.58%	4.06%
Permanent Workers	1.54%	0.00%	1.20%	1.25%	0.25%	1.06%	1.62%	1.17%	1.52%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Stanley Retail Ltd	Subsidiary (WOS)	100%	Yes
2	Stanley OEM Sofas Ltd	Subsidiary (WOS)	100%	Yes
3	Staras Seating Pvt Ltd	Step Down Subsidiary	100%	Yes
4	Sana Lifestyles Ltd	Step Down Subsidiary	100%	Yes
5	Shrasta Decor Pvt Ltd	Step Down Subsidiary	55.95%	Yes
6	Scheek Home Interiors Limited	Step Down Subsidiary	100%	No
7	ABS Seating Private Limited	Subsidiary	67%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) YES**

(ii) Turnover (in Rs.) **2,175 millions**

(iii) Net worth (in Rs.) **4,066 millions**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		0	0		0	0	-
Investors (other than shareholders)		0	0		0	0	-
Shareholders		61	0	-	0	0	-
Employees and workers		0	0	-	0	0	-
Customers							
Value Chain Partners		0	0	-	0	0	-
Other		0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy conservation	Risk & Opportunity	Rising energy costs and climate mandates pose a risk of higher operational costs; however, energy-efficient practices can lower expenses and carbon footprint.	Implement energy-efficient systems, renewable energy adoption, periodic energy audits.	Positive: Cost savings and potential green incentives. Negative: Initial capex investments.
2	Supply Chain Management	Risk & Opportunity	Risks include disruptions and ESG non-compliance. Opportunities arise from building a resilient, ethical supply chain that enhances brand trust.	Vendor ESG audits, supplier diversification, digital supply chain tracking.	Negative: Disruption costs if unaddressed. Positive: Risk reduction and improved stakeholder confidence.
3	Sustainable Products	Opportunity	Increasing consumer and regulatory demand for sustainable offerings opens up new markets and competitive differentiation.	R&D investments in sustainable materials and processes, eco-labelling, product innovation.	Positive: New revenue streams, brand loyalty, competitive edge.
4	Health & Safety	Risk & Opportunity	Poor safety poses legal and moral risks. Strong health & safety culture improves employee retention and productivity.	Safety training, PPE provision, third-party audits, incident reporting systems.	Positive: Reduced accidents, improved morale and productivity. Negative: Legal liabilities if not managed.
5	Empowering Workforce	Opportunity	Empowered employees lead to innovation, higher retention, and better decision-making, creating long-term value.	Leadership programs, upskilling, D&I initiatives, employee engagement frameworks.	Positive: Enhanced innovation, reduced attrition, better employer branding.
6	Regulatory & Legal Compliances	Risk	Risk of non-compliance exposes the Company to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the Company's revenue, valuations and could lead to loss of reputation and business opportunities. Compliance gives assurance and provides a broader insight to the investors.	The company has a code of conduct and an insider trading policy in place. There are internal audit systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively. The Company strives to ensure compliance with the various Corporate Governance Requirements under the Securities and Exchange Board of India.	Non-compliance would lead to loss of reputation and consequently affect the business activities. Companies who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among employees and other stakeholders.

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.stanleylifestyles.com/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company complies with all the National Guidelines on Responsible Business Conduct principles.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set clear ESG commitments tailored to its operations as a furniture manufacturer, focusing on areas such as energy conservation, nature-positive sourcing, workplace safety, inclusion, and sustainable supply chains. Specific goals include reducing energy consumption per unit of production, achieving zero workplace fatalities, improving gender diversity, and reducing freshwater usage through recycling and rainwater harvesting. The Company is also committed to ethical governance, transparency, and ensuring that a majority of its key suppliers comply with ESG standards. Progress against these targets is monitored continuously to ensure accountability and long-term impact.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board has entrusted the Management with oversight of ESG target implementation. The Company regularly reviews progress, with positive developments in areas like energy efficiency and responsible sourcing.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	As the Director, I am responsible for the Business Responsibility Report, I am pleased to share that our Company continues to integrate ESG principles across our operations. In the past year, we have made strong progress in sustainable sourcing, energy efficiency, and workplace safety. However, challenges such as raw material availability and evolving regulatory requirements remain. We remain committed to our targets—sourcing 100% certified wood, reducing energy use per unit, and building an inclusive, safe workplace—while continuously improving our processes to meet our sustainability goals.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sunil Suresh Managing Director DIN: 01421517								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes.								
	The Board had constituted Risk Management Committee and the senior management team are responsible for integration of sustainability into the business operations.								
	Board Composition:								
	Mr. Sunil Suresh, Managing Director, DIN: 01421517								
	Mrs. Shubha Sunil, Whole Time Director, DIN: 01363687								
	Mr. Girish Shrikrishna Nadkarni, Independent Director, DIN: 00040971								
	Mr. Ramanujam Venkat Raghavan, Independent Director, DIN: 06886628								
	Mrs. Anusha Shetty, Independent Director, DIN: 01666992								
	Mrs. Sonakshi Sunil, Non- Executive Director, DIN: 09387990								
	Composition of the Risk Management Committee:								
	Mr. Ramanujam Venkat Raghavan, Chairperson, DIN: 06886628,								
	Mr. Shubha Sunil, Member, DIN: 01363687								
	Mr. Pradeep Kumar Mishra, Member *								
	Mr. J K Sharath, Member **								

Note : * Mr. Pradeep Kumar Mishra dropped from the committee w.e.f. 13th August, 2025.

** Mr. J K Sharath was included in the committee w.e.f. 13th August, 2025.

10. Details of Review of NGRBCs by the Company:

Subject of Review:	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Since Board reviewed the policies periodically therefore, external agency was not appointed.

a.	The entity does not consider the Principles material to its business (Yes/No)	Replied as above
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Replied as above
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Replied as above
d.	It is planned to be done in the next financial year (Yes/No)	Replied as above
e.	Any other reason (please specify)	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.



PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

At **Stanley Lifestyles Limited**, we are committed to conducting our business with integrity, transparency, and accountability. We adhere to all applicable laws and regulations, ensuring that our operations uphold the highest ethical standards.

Our **Code of Conduct**, applicable to our Directors and Senior Management Personnel, serves as a guiding framework for ethical decision-making. Additionally, our Business Responsibility and Sustainability Policy provides clear principles to identify and address ethical concerns, establishes mechanisms to report unethical behaviour, and fosters a culture of trust and accountability.

We actively promote ethical business conduct across our operations and value chains by conducting **regular training programs** for our employees and value chain partners. These initiatives reinforce our commitment to integrity, ensuring that ethical considerations remain central to our corporate culture and decision-making processes.

Essential Indicators

Segment	Total Number of Training and Awareness programs held	Topics / Principles covered under the trainings and its impact	%age of Persons in respective category covered by the awareness program
Board of Directors	2	1) Corporate Governance 2) Companies Act & SEBI Listing Requirements 3) Environmental & Safety matters	100%
KMP	2	1) Corporate Governance 2) Companies Act & SEBI Listing Requirements 3) Environmental & Safety matters	100%
Employees other than Board and KMP	4	1) Fire Drill Safety measures and product training 2) Health and Wellness Webinars 3) Consumer Engagement and Value Training 4) Ethical policies training	100%
Workers	4	1) Fire Drill Safety measures and product Training 2) First Aid Training to the Employees	100%

1. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

As disclosed in the Financial Statements/Auditors' Report

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement	NIL				
Compounding	NIL				
Fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			NIL	

2. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

At Stanley Lifestyles Limited, we uphold the highest standards of integrity and ethical business practices. To reinforce this commitment, we have adopted a comprehensive Anti-Bribery and Anti-Corruption Policy that applies to all employees, directors, associates, and third parties acting on behalf of the company.

The policy is designed to prevent and prohibit bribery, corruption, and related unethical practices across all levels of the organization. Employees are strictly prohibited from offering, promising, or providing anything of value to government officials, individuals, or entities to unduly influence their actions or secure business advantages. Similarly, accepting gifts, favours, or entertainment that may compromise business judgment is strictly prohibited.

All stakeholders share the responsibility of ensuring compliance with this policy. Violations may lead to severe consequences, including civil or criminal liability, fines, and legal prosecution. To facilitate transparency, the company provides a designated reporting channel for individuals to report any suspected violations without fear of retaliation.

The policy is periodically reviewed and updated to align with evolving legal and regulatory requirements. The web link to the Anti-Bribery and Anti-Corruption Policy is provided below:

https://www.stanleylifestyles.com/storage/Investor/August2024/Kq2nt-Policy_Whistle%20Blower.pdf

4. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Directors		
KMPs		
Employees		NIL
Workers		

5. Details of complaints with regard to conflict of interest:

	Current Financial year FY 2024-25		Previous Financial year FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs			NIL	

6. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NIL

7. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	45.38	71.79

8. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs	a. Purchases (Purchases with related parties / Total Purchases)	4.80%	3.37%
	b. Sales (Sales to related parties / Total Sales)	72.20%	74.40%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	100%
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total Number of awareness programmes held	Topics/principles covered under the training	% age of Persons in respective category covered by the awareness programme
Nil. Not Conducted awareness programme for value chain partners		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes, Stanley Lifestyles Limited has established processes to identify, manage, and mitigate conflicts of interest involving members of the Board. Each Director is required to disclose their interests in the Company, other businesses, corporate bodies, firms, or associations of individuals, including any changes in such interests or shareholding, on an annual basis or as and when changes occur.

Additionally, Directors must sign an annual declaration under the Code of Conduct, affirming their commitment to act in the best interests of the Company. They are also required to ensure that their personal or professional engagements do not result in conflicts with the Company's business operations or their respective responsibilities.

Moreover, Senior Management members provide an annual certification confirming that they have not engaged in any significant financial or business transactions that could potentially create a conflict of interest. These mechanisms reinforce the Company's commitment to transparency, accountability, and ethical governance.



PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

At Stanley Lifestyles Limited, we have seamlessly integrated safety and sustainability principles into our operations and products across their entire lifecycle. This approach spans from the procurement of raw materials and product design to manufacturing and final delivery to our customers.

We are committed to ensuring the safe and efficient use of resources throughout the product lifecycle, including optimizing resource utilization and recycling wherever feasible. Our emphasis on Research & Development (R&D) enables us to continually enhance our processes, ensuring the production of resource-efficient and environmentally sustainable products.

Additionally, we maintain a rigorous supplier assessment process as part of our vendor registration to promote and ensure sustainable sourcing practices. These initiatives reflect our commitment to responsible business conduct, prioritizing both environmental and customer safety.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R & D Capex	The company's research and development efforts enhance operational efficiency and promote sustainable practices. We have implemented energy-efficient systems within our facilities and adopted effective water management. We are assessing the environmental and social impacts of our technological advancements and innovations. The CAPEX cost is towards environmental safety. 8.5% of total capex is spent for environmental/safety		

- | | | |
|----|--|---|
| 2. | a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) | The Company consistently invests in expanding and upgrading its supply chain network to achieve sustainable business growth. Our supplier selection process prioritizes Labour Standards, Health & Safety, Environmental Assessments, and Business Ethics. By integrating these comprehensive criteria, we aim to establish a robust and sustainable supply chain. We implemented our Vendor Code of Conduct, which provides a framework for ethical and responsible business practices among our value chain partners. Our strategy also includes initiatives to enhance operational efficiency, optimize sourcing locations, make informed fabric selections, streamline our supplier network, ensure social compliance, and leverage technology to oversee production and quality milestones |
| | b. If yes, what percentage of inputs were sourced sustainably? | The Company consistently invests in expanding and upgrading its supply chain network to achieve sustainable business growth. Our supplier selection process prioritizes Labour Standards, Health & Safety, Environmental Assessments, and Business Ethics. By integrating these comprehensive criteria, we aim to establish a robust and sustainable supply chain. We implemented our Vendor Code of Conduct, which provides a framework for ethical and responsible business practices among our value chain partners. Our strategy also includes initiatives to enhance operational efficiency, optimize sourcing locations, make informed fabric selections, streamline our supplier network, ensure social compliance, and leverage technology to oversee production and quality milestones |

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a. Plastics (including packaging)	Not Applicable
b. E-waste	Disposed of through authorized e-waste recyclers in line with environmental regulations.
c. Hazardous waste and other waste	Segregated and handed over to authorized recyclers for safe disposal, preventing environmental harm.
d. Other waste	-

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Yes. To address environmental concerns and promote responsible waste management, the Company is registered on the EPR portal of Central Pollution Control Board (CPCB).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No such assessments have been conducted in the Financial Year 2024-25.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year

All waste is collected and sold to authorized recyclers for proper disposal or recycling and is disposed off through authorized e-waste recyclers in line with environmental regulations.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	Paint container- 0.740 MT	-	-	2.610 MT
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	Used oil- 260 Ltrs
Other waste	-	-	Wood- 356.32 MT Foam - 13.24 MT Leather- 38.43 MT Carton waste- 40.36 MT	-	-	Wood- 339.43 MT Foam - 17.62 MT Leather- 34.21 MT Carton waste- 41.70 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA



PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

We prioritize the well-being, professional growth, and safety of our employees. We ensure a safe, inclusive, and growth-oriented workplace through regular training, career development, and compliance with health and safety standards.

We strictly prohibit child labour, forced labour, and discrimination, aligning our policies with ethical employment practices. Our commitment extends to our value chain partners, ensuring they uphold responsible and ethical labour standards.

By fostering a fair, supportive, and empowering work environment, we aim to build a harmonious and socially responsible workplace for all.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	108	108	100 %	108	100 %	0	0	108	100%	108	100%
Female	16	16	100 %	16	100 %	16	100 %	0	0	16	100%
Total	124	124	100%	124	100%	16	100%				
Other than Permanent employees											
Male	0	0	100%		100%	NA	NA	0	100%	0	100%
Female	0	0	100%		100%	0	100%	NA	NA	0	
Total											

* Measures for the well-being of Other than Permanent employees are taken care by the Contractors and ensured by the Principal Employer

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

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent workers										
Male	73	73	100%	73	100%	0	0	73	100%	73	100%
Female	5	5	100%	5	100%	5	100%	0	0	5	100%
Total	78	78	100%	78	100%	5		73	100%	78	100%
	Other than Permanent workers										
Male	80	80	100%	80	100%	0	0	80	100%	80	100%
Female	0	0	0	0	0	0	0	0	0%	-	-
Total	80	80	100%	80	100%	0	0	80	100%		

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

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97.35% 147/151 2 apprentice and 2 directors As on 31st March 2025	100% 143 total workers	Y	149/151 98.68% 2 directors	100% 163 workers	Y
Gratuity	19.21% 29/151	62.25% 89/143	Y	16.56% 25/151	49.08% 80/163	Y
ESI	2.61% 4/151	40.56% 58/143	Y	5.30% 8/151	57.06% 93/163	Y
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Equal Opportunity Policy for Persons with Disabilities (PwD) is adopted by the Company. The policy aims to provide fair and impartial opportunities for persons with disabilities in the recruitment process and create a barrier-free working environment. It seeks to protect and safeguard the rights and interests of persons with disabilities, eliminate unlawful discrimination, and promote inclusion and respect.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	1	100%	Nil	Nil
Female	0	0	0	0
Total	01	100%	0	0

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	Yes. Staff welfare committee, sexual harassment committee, complaint box, whistle blower policy and mechanisms present
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Not Applicable

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

NIL

8. Details of training given to employees and workers:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	128	112	87	0	0	130	120	92	0	0
Female	22	20	90	0	0	20	18	90	0	0
Total	150	132	88	0	0	150	136	91	0	0
Workers										
Male	107	98	91	0	0	124	112	90	0	0
Female	37	32	86	0	0	37	30	81	0	0
Total	144	130	90	0	0	161	142	88	0	0

Note :

The company is in process of improving the coverage and frequency of the trainings. However, these critical aspects are addressed during the employee onboarding process and are incorporated into the Company's HR policy. The company remains dedicated to promoting the continuous development of its employees' skills.

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

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	42	25	59	58	39	67
Female	5	5	100	5	5	100
Total	47	30	63	63	44	69
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:**(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

YES

Given the nature of the furniture manufacturing and retail business, the Company recognizes the potential occupational health and safety risks associated with both manufacturing operations and logistics activities. Accordingly, the Company has implemented an occupational health and safety management system that aims to comply with all applicable health and safety regulations and industry standards.

The Company has adopted a comprehensive Environment, Energy, Occupational Health and Safety Policy that focuses on legislative compliance, license and certification requirements, and proactive safety measures for all employees. This system covers our manufacturing facilities, warehouses, and retail stores.

Key initiatives include safety training programs, accident and incident reporting procedures, periodic safety audits, proper use of personal protective equipment (PPE), and housekeeping protocols to maintain safe and hazard-free workspaces. Fire safety measures, including extinguishers and emergency exits, are in place across offices, retail stores, manufacturing units, and warehouses. Regular drills and equipment maintenance are carried out to ensure readiness and employee awareness.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company identifies and assesses work-related hazards through regular internal audits, periodic external safety audits, inspections, and employee feedback across its manufacturing units, warehouses, and stores. For non-routine activities such as equipment maintenance or new installations, pre-task risk assessments are conducted. An incident and near-miss reporting mechanism is in place, followed by root cause analysis to implement corrective actions. Risk assessments are also integrated into change management processes to ensure proactive identification and mitigation of hazards.

(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has established formal channels for workers to report work-related hazards, including direct reporting to supervisors, designated safety officers, and internal grievance mechanisms. Employees are encouraged to immediately report unsafe conditions or practices without fear of retaliation. Workers also have the right to stop or refuse work if they believe it poses an imminent risk to their health or safety, and such concerns are promptly investigated and addressed by the safety team.

(d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company provides a systematic way to ensure a safe and healthy workplace for all employees. It promotes continuous identification and monitoring of hazards and controlling risks whilst making sure that the risk controls in place are effective. The Health & Safety Policy is applicable across all locations, serves as a comprehensive statement addressing essential work-related issues. The Health & Safety Manual provides a robust framework for creating a safe and healthy workplace. Safety Induction & Trainings: The Company provides a Health & Safety induction to all new employees which is incorporated in their general induction training. Mock Drills: Mock Drills are conducted at specified intervals in the Company. These drills involve all employees, security team and visitors/customers who are within the premise.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

NA

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

(A) Employees (Y): Group Medical Insurance and ESI

(B) Workers (Y): Group Medical Insurance and ESI

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We are periodically reconciling with vendor accounts and related statutory returns filed details with confirmation.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. NIL



PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders encompass individuals, groups, and organizations that play a vital role in the achievement of our business objectives. Our key stakeholders include employees, shareholders, investors, distributors, customers, channel partners, vendors, suppliers, regulators, and government agencies.

The identification of these crucial stakeholder groups is done using a qualitative approach, which involves consultations and feedback from different departments, as well as input from senior management and the board.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ Others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	General meetings, Notices, E-mails, Website, Communication to Stock Exchanges, Annual report and Investor meet	As per statutory requirement	The main objective is to collect feedback from stakeholders about the company's products and services. We value the support of our stakeholders and recognize their expectations and concerns. Our goal is to recognize, prioritize, and resolve the concerns and problems of our stakeholders in a consistent, organized, and open manner through effective conversations and communication.
Employees	No	Direct communication, Intranet portal, meetings and trainings	As and when required	
Value chain partners/ Vendors	No	Direct communication, events, E-mails	As and when required	
Government and Regulatory Authorities	No	Direct communication, E-mails, Website	As and when required	
NGOs/CSR Organisations	Partially yes	Direct communication, E-mails, Website, Newspapers	As and when required	
Media	No	Press releases, Media events and announcements	As and when required	
Customers	No	Direct communication, events, E-mails	As and when required	

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We actively involve stakeholders in our discussions on environmental, social, and governance (ESG) matters across our different departments, promoting continuous collaboration. We consistently gather feedback and integrate it into our strategic framework to guarantee that our actions are in line with our mission and vision. Key issues are thoroughly evaluated, prioritized, and communicated with relevant stakeholders for discussion, taking into account their potential impact on our operations and the interests of those involved.

During the quarterly meetings, our top-level executives and board members discuss stakeholder feedback and potential initiatives, ensuring they are taken into account when making strategic decisions.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No)**

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

We proactively interact with both internal and external stakeholders to gain a comprehensive understanding of their requirements and obstacles across all business areas associated with environmental, social, and governance (ESG). The feedback we receive is thoroughly analysed and incorporated into our decision-making process. As an example, we engage in open dialogues with stakeholders to pinpoint material topics that have a substantial influence on our operations. These significant issues influence our focus areas when creating environmental, social, and governance policies, formulating strategic plans, and developing actionable strategies for consideration.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

We are dedicated to enhancing the well-being of disadvantaged communities residing near our production sites. As part of our corporate social responsibility (CSRs) efforts, we concentrate on community development projects in various sectors, including health, education, job skills, sanitation, and livelihood opportunities. For example, our primary school building that is currently under construction in a rural area of Karnataka. Furthermore, we actively promote sustainable livelihoods and capacity building by directly collaborating with small and marginal suppliers, placing a significant emphasis on sourcing from local micro, small, and medium-sized enterprises (MSMEs).



PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (C/D)
Employees						
Permanent	150	130	86	150	138	92
Other than permanent	0	0	0	0	0	0
Total employee	150	130	86	150	138	92
Workers						
Permanent	144	122	84	162	145	89
Other than permanent	427	412	96	456	432	94
Total workers	571	534	93	618	577	93

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

Category	FY 2024-25					FY 2023-24				
	Current Financial Year					Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum wage		Total (D)	Equal to Minimum Wage		More than Minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	140	0		140		139	0		139	
Female	11	0		11		12	0		12	
Other than permanent										
Male	0	0		0		0	0		0	
Female	0	0		0		0	0		0	
Workers										
Permanent										
Male	128	0		128		148	0		148	
Female	16	0		16		16	0		16	
Other than permanent										
Male	354	46		308		383	0		383	
Female	56	7		49		55	0		55	

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	1,23,07,323	1	1,31,69,827
Key Managerial Personnel	2	1,57,52,905	0	0
Employees other than BoD and KMP		21,01,02,120		2,84,88,312
Workers				

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

	Financial Year 2024-25 (Current Financial Year)	Financial Year 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	19.61% 3672517/18720117	16.86% 3033777/17987728

5. Describe the internal mechanism in place to redress grievances related to human rights issues.

Our human resources (HR) department is accountable for handling any human rights issues or concerns that may arise from our business activities. Employees are entitled to raise concerns about human rights violations, and the hr team diligently examines these reports. In-depth investigations are carried out to guarantee a just resolution, and cases that demand additional action are escalated to the highest management for immediate attention.

Furthermore, we have set up an internal committee (IC) to handle complaints of sexual harassment in a confidential manner. We are dedicated to promoting and protecting human rights, creating an inclusive, respectful, and secure workplace environment for all our employees.

6. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Our organization's human rights policy, which is a part of our broader business responsibility policy, provides a framework for guiding our actions and establishing ethical standards. When a human rights complaint is brought forward, a systematic resolution process is implemented. The human resources (HR) team at the specific facility conducts a comprehensive investigation to guarantee a successful resolution. When the situation demands additional intervention, the matter is escalated to senior management for immediate action and resolution.

Furthermore, we have a specific policy in place that addresses the prevention of sexual harassment (posh). In order to maintain a secure and respectful workplace, we have set up an internal complaints committee (IC) to address sexual harassment cases, ensuring confidentiality and impartiality in the process. The ICC functions with efficiency, guaranteeing that investigations are finished within a seven-day timeframe. Both sides are provided with an equal chance to present their arguments, and all pertinent evidence is thoroughly examined. After carefully evaluating the complaint, the IC determines its validity. If a complaint is determined to be false, the appropriate action is taken against the complainant. In the event that sexual harassment is proven, we promptly and firmly address the issue, implementing disciplinary measures against the offender to safeguard the complainant's welfare.

7. Number of Complaints on the following made by employees and workers:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have set up an internal committee (IC) in compliance with the posh act, offering employees a safe and confidential avenue to voice their concerns. The committee guarantees the confidentiality of the complainant throughout the investigation process until a final decision is made. Moreover, the ICC regularly organizes training sessions and awareness programs, such as induction workshops, to educate employees about workplace safety and the prevention of harassment. Whistleblower complaints are kept confidential and are submitted to the audit committee of the board for evaluation during quarterly assessments.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, human rights requirements are a part of the general terms and conditions in all business contracts and agreements.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	We have not yet conducted third-party assessments, but we consistently perform internal evaluations to guarantee adherence to ethical standards. These evaluations are carried out regularly and as required to track and prevent child labour, forced labour, sexual harassment, discrimination in all our facilities and payment of minimum wages.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No, human rights related grievances were reported during the period under review.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No, we have not conducted any human rights due diligence during the reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Our commitment is to provide accessibility for all individuals, including employees, workers, and visitors, at every location we operate. In order to reinforce this dedication, we offer a range of accessibility features, such as ramps, elevators, accessible restrooms, designated parking spaces, and wheelchairs. By integrating these amenities, we aim to foster an inclusive and welcoming atmosphere for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Our vendor assessment process is comprehensive and thorough, taking into account important factors like forced labour, child labour, fair wages, and workplace discrimination when evaluating suppliers. However, we have not yet enlisted the help of external evaluators to assess the value chain partners of our organization.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable



PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in kWh) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
	Current Financial year	Previous Financial year
Total electricity consumption (A)	1155852	963748
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	578021	531586
Total energy consumption (A+B+C)	1733873	1495334
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00079902 kWh/ Rupee	0.00064649 kWh/ Rupee
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, we have not assessed/evaluated through any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NIL

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	13583	15445
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	13583	15445
Total volume of water consumption (in kilolitres)	13583 KLD/Year	15445
Water intensity per rupee of turnover (Water consumed / turnover)	0.0064 LD/rupee (or) 0.0000064 KLD/ rupee	0.000000667 KLD/ rupee
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	12003 KLD	13005 KLD
(iii) To sea water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others		
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged	12003 KLD	13005 KLD

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented a Zero Liquid Discharge (ZLD) mechanism across its manufacturing operations. All wastewater generated is fully treated through an in-house treatment system and reused within the facility, ensuring that no liquid waste is discharged into the environment, including rivers, lakes, or sewers. Any residual solids or sludge from the treatment process are safely handled and disposed of in compliance with applicable environmental regulations. This approach supports the Company's commitment to sustainable and responsible water management.

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

Parameter	Please specify Unit	FY 2024-25	FY 2023-24
		Current Financial year	Previous Financial year
Nox	Nm ³	16.1 µg/Nm ³	25.3 µg/Nm ³
Sox	Nm ³	6.3 µg/Nm ³	8.5 µg/Nm ³
Particulate matter (PM)	Nm ³	70.9 µg/Nm ³	85.4 µg/Nm ³
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)	NA		NA
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

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

Parameter	Unit	FY Current Financial year	FY Previous Financial year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)		-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

8. Does the entity have any project related to reducing Green House Gas emission?

If Yes, then provide details.

NIL

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

Parameter	FY 2024-25	FY 2023-24
	Current Financial year	Previous Financial year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.74	2.610
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)*	-	0.23
Other Non-hazardous waste generated (H). **Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	448.35	432.95
Total (A+B + C + D + E + F + G + H)	449.09	435.56

Parameter	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	449.09	435.56
Total	449.09	435.56

* Other hazardous waste comprises of used oil

** Other non-hazardous waste comprises of Wood, Foam, Leather, Carton Waste

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows waste segregation and safe storage practices at all locations. Waste is regularly collected and sent to authorized vendors for disposal or recycling. Efforts are made to minimize the use of hazardous and toxic chemicals in products and processes by adopting safer alternatives wherever possible. Any hazardous waste generated is handled as per regulatory norms and disposed of through certified agencies.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			NIL

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web link
No assessments have been undertaken during last financial year and during the current financial year we are assessing the suitable assessment.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	The Company complies with all the regulatory environmental laws			

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable

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

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

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

Parameter	Unit	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, we have not assessed/evaluated through any external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

NA

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NIL			

5. Does the entity have a business continuity and disaster management plan?

Give details in 100 words/ web link.

Yes, the Company has a comprehensive Business Continuity and Disaster Management Plan to ensure minimal disruption to operations during unforeseen events. The plan covers risk assessment, crisis response procedures, data backup systems, alternate work arrangements, and communication protocols. Key functions such as manufacturing, supply chain, IT, and safety are prioritized with defined recovery strategies. Regular drills and reviews are conducted to test preparedness and update response measures. Emergency response teams are designated at critical sites to coordinate immediate action. The plan aligns with regulatory requirements and supports operational resilience and employee safety during natural or man-made disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company's value chain in luxury furniture manufacturing involves activities such as material procurement, production, and transportation, which may have environmental impacts including resource consumption, emissions, and waste generation. To address these, the Company has implemented measures such as using certified raw materials, optimizing production processes to reduce waste, installing energy-efficient equipment, and treating and reusing water at manufacturing sites. Packaging and transportation processes are also streamlined to lower fuel usage and emissions. The Company regularly engages with vendors and service providers to ensure adherence to applicable environmental standards and reduce operational impact.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL



PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. **NA**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
NA		

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of the authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
			NIL		



PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			NA		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S.No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community.

The mechanisms available to consumers above are also available to the community. The company actively participates in community engagement through its CSR projects

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

Parameter	FY 2024-25 Current Financial year	FY 2023-24 Previous Financial year
Directly sourced from MSMEs/ small producers	10.63%	2.95%
Directly sources within India	46.50%	46.59%

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

Location	FY 2024-25	FY 2023-24
	Current Financial year	Previous Financial year
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	-	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above)

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Sl No.	State	Aspirational District	Amount Spent (in INR)
	NA		

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No):

No

- b) From which marginalized / vulnerable groups do you procure?

NA

- c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current fiscal), based on traditional knowledge

Sl No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		NA		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
	NA	

6. Details of beneficiaries of CSR projects:

SI No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Bagalur Government Primary school	Total students=285 Boys 135 Girls 150 Teachers =12 Bagalur colony Population=2500	100%

**PRINCIPLE 9**

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

We place utmost importance on client satisfaction and have established a robust mechanism to address feedback and grievances effectively. Our diverse client base is provided with multiple communication channels to share concerns or suggestions. Each complaint is handled with due seriousness, and our dedicated teams ensure thorough analysis and timely resolution with client involvement at every stage. Transparency is maintained throughout the process, with regular updates and necessary approvals on corrective actions. Beyond complaint resolution, we actively engage with clients to understand their evolving expectations, which informs our strategic decisions and drives continuous service enhancement, reinforcing long-term partnerships.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

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

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising			-			-
Cyber-security	0	0	-	0	0	-
Delivery of Products	0	0	-	0	0	-
Quality of Products	2549	228	-	1775	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

No. However, all the necessary measures to ensure cyber security and data privacy are in place within the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

7. Provide the following information relating to data breaches:

- a) Number of instances of data breaches: **0**
- b) Percentage of data breaches involving personally identifiable information of customers : **0**
- c) Impact, if any, of the data breach: **NIL**

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

Information about our products and services is shared through multiple channels to ensure maximum reach and accessibility for our customers. These include our official website, which offers detailed and up-to-date information on all offerings; product catalogues, available in both digital and printed formats; and newspaper advertisements published in leading dailies to highlight key features and promotions. Additionally, we leverage digital advertising through social media platforms such as Facebook, Instagram, LinkedIn, and YouTube to engage with a wider audience and keep them informed about our latest updates and offerings.

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

We undertook specific initiatives to educate consumers on the safe and responsible usage of our products. This included providing a detailed User Manual with each product, outlining safety precautions, operating guidelines, and maintenance instructions. Additionally, a Fit Information Card was included to guide users on proper installation, usage posture, and compatibility, helping ensure optimal performance and user safety. These efforts were aimed at promoting informed usage and reducing the risk of misuse or accidents.

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

We have established clear mechanisms to inform consumers promptly in the event of any risk of disruption or discontinuation of essential services. These include direct communication channels such as email and SMS alerts to affected customers, notifications through our official website, and updates on our social media platforms. In cases requiring broader outreach, public notices or press releases are issued. Additionally, our customer service team is equipped to provide real-time support and clarification to ensure transparency and minimize inconvenience during such events.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)

If yes, provide details in brief.

Yes.

The entity provides product information beyond what is mandated under local laws. In addition to the required labelling details, the packaging includes PO number, STN number, model name, product range, colour, configuration, seater details, number of packages, and QC and supervisor sign-offs. This ensures better traceability, quality control, and customer transparency.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

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 31 March 2025, 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 31 March 2025, and its profit, total comprehensive loss, 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 ("SA"s) 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 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 and Corporate Governance 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 we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above when it becomes available, 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 Board of Directors 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 loss, 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 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 are 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 is 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 complying with the requirement of audit trail as stated in (i)(vi) below.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows and 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 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matter connected therewith, is 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:
 - 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, other than as disclosed in note 52A and note 6 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, other than as disclosed in note 52B and note 54 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, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2025 wherein the accounting software did not have the audit trail feature enabled throughout the year. (Refer note 53 to 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 audit trail feature was not enabled for the year ended 31 March 2024, 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sandeep Kukreja

Partner

Place: May 26, 2025

Date: Bengaluru

(Membership No. 220411)
(UDIN 25220411BMOQDD7405)

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 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Company’s Management and Board of Directors are 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 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 31 March 2025, based on the criteria for internal financial control with reference to

standalone financial statements established by the respective 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: May 26, 2025

Date: Bengaluru

(Membership No. 220411)

(UDIN 25220411BMOQDD7405)

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, certain assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), 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. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year end. No

discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with 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, the quarterly returns or statements comprising stock statements, book debt statement, and other stipulated financial information 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 and no material discrepancies have been observed.
- (iii) The Company has not provided security or granted any loans or advances in the nature of loans, secure or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investment in and provided guarantee to the companies during the year, in respect of which:
- a. The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year. The Company has stood guarantee during the year and details of which are given below:

	Guarantees (Rs. in million) *
A. Aggregate amount provided during the year:	
- Subsidiaries	270
B. Balance outstanding as at balance sheet date in respect of above case:	
- Subsidiaries	270

* The Company has disclosed the above guarantee amounts in note 37 to the standalone financial statements.

- b. The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned guarantees provided, during the year are, in our opinion, not prejudicial to the Company’s interest.
- c. In respect of loans or advances in the nature of loans provided 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. During the year, entire loan given by the Company, has been repaid by its subsidiary.

- d. According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e. None of the loans or advances in the nature of loans granted by the Company have fallen due during the year. During the year, entire loan given by the Company, has been repaid by its subsidiary.
- f. According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of 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 3(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.

(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. 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, Income-tax, Sales Tax, Service Tax, duty of Custom, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2025 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 31 March 2025, on account of disputes are given as below:

Name of the statute	Nature of the dues	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	3	FY 2008-09	CIT – Central Circle 1(1), Bangalore

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

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments 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 3(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, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

Nature of fund taken	Name of lender/ shareholder	On account of or to meet the obligations of subsidiaries*		
		Amount involved (Rs. in million)	Name of the subsidiary	Nature of transaction for which funds utilized
Equity share capital	Public (by way of Initial Public Offer)	173.38	Stanley Retail Limited	Opening of New/
		343.88	ABS Seating Private Limited	Anchor Stores and
		202.68	Sana Lifestyles Limited	renovation of the
		363.68	Shrasta Décor Private Limited	existing stores by
		317.95	Staras Seating Private Limited	such subsidiaries

*Planned obligations as per Red Herring Prospectus('RHP') filed by the Company with SEBI dated June 13, 2024

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.
- (x) (a) In our opinion, moneys raised by way of initial public offer of the equity shares of the Company during the year, have been, applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (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 3(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.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(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 during the year and covering the period upto 31 December 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 with 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 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the

Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(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

Place: May 26, 2025

Date: Bengaluru

(Membership No. 220411)

(UDIN 25220411BMOQDD7405)

Standalone Balance Sheet

as at 31 March 2025

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

Particulars	Note No.	31 March 2025	31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	4	311	286
Right of use assets	5	317	377
Capital work in progress	4c	375	375
Intangible assets	4a	47	37
Intangible assets under development	4b	9	16
Financial assets			
(i) Investments	6	812	326
(ii) Loans	7B	-	50
(iii) Other financial assets	7A	789	35
Deferred tax assets (net)	8	53	49
Current tax assets (net)	14	40	20
Other non-current assets	9	14	23
Total non-current assets		2,767	1,594
Current assets			
Inventories	10	463	517
Financial assets			
(i) Trade receivables	11	287	589
(ii) Cash and cash equivalents	12	326	5
(iii) Bank balances other than (ii) above	13	777	410
(iv) Other financial assets	7A	109	3
Other current assets	9	59	142
Total current assets		2,021	1,666
Total assets		4,788	3,260
Equity and liabilities			
Equity			
Equity share capital	15	114	103
Other equity	16	3,952	1,891
Total equity attributable to equityholders		4,066	1,994
Total equity		4,066	1,994
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	35	368	403
(ii) Asset retirement obligations	4d	28	25
Total non-current liabilities		396	428
Current liabilities			
Financial liabilities			
(i) Borrowings	17	-	241
(ii) Lease liabilities	35	36	53
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	19	11	11
b) Total outstanding of creditors other than micro and small enterprises	19	176	313
(iv) Other financial liabilities	20	54	190
Other current liabilities	21	25	11
Provisions	18	16	11
Current tax liabilities (net)	22	8	8
Total current liabilities		326	838
Total liability		722	1,266
Total equity and liabilities		4,788	3,260
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 Kumar Mishra

Chief Financial Officer

Akash ShettyCompany Secretary &
Compliance officer
FCS No: 11314Place: Bengaluru
Date: 26 May 2025Place: Bengaluru
Date: 26 May 2025

Standalone Statement of Profit and Loss

for the year ended 31 March 2025

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

Particulars	Note No.	31 March 2025	31 March 2024
I Revenue from operations	23	2,175	2,313
II Other income	24	236	196
III Total revenues		2,411	2,509
IV Expenses			
a) Cost of materials consumed	25	1,237	1,446
b) Purchase of stock-in-trade	26	-	0
c) Changes in stock of finished goods and work-in-progress	27	27	19
d) Employee benefits expenses	28	284	257
e) Finance costs	29	52	61
f) Depreciation and amortisation expenses	30	124	108
g) Other expenses	31	432	398
V Total expenses		2,156	2,289
VI Profit before tax (III - V)		255	220
VII Tax expenses			
a) Current tax	22	61	54
b) Deferred tax charge/ (credit)	22	(4)	6
c) Short/(excess) provision of tax relating to earlier years	22	5	3
VIII Total tax expenses		62	63
IX Profit for the year		193	157
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	36	(0)	(2)
b) Income tax relating on above	22	0	0
XI Total other comprehensive income for the year (net of tax)		(0)	(2)
XII Total comprehensive income(net of tax) for the year (IX + XI)		193	155
Earnings per equity share in Rs. (nominal value per share Re. 2)			
(a) Basic	42	3.46	3.04
(b) Diluted	42	3.45	3.03
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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Standalone Statement of Cash Flows

for the year ended 31 March 2025

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

Particulars	Note No.	31 March 2025	31 March 2024
A Cash flows from operating activities:			
Profit before tax		255	220
Adjustments for:			
Depreciation and amortisation expenses	30	124	108
(Gain)/ loss on sale of property, plant and equipment (net)	24	(0)	(1)
Liabilities no longer required written back	24	(1)	(15)
Provision for doubtful trade receivables and advances (net)	31	0	(9)
Finance costs	29	52	61
Unrealized foreign exchange (gain)/ loss (net)		0	0
Interest income	24	(116)	(51)
Provisions for warranty	31	7	4
Gain on de-recognition of loan	24	-	3
Share based payment expense	28	8	8
Cash flow from operating activities before working capital changes		329	328
Adjustments for (increase)/ decrease in assets:			
Financial assets		(3)	2
Inventories		55	(80)
Trade receivables		302	(164)
Other assets		11	(6)
Adjustments for increase/ (decrease) in liabilities:			
Financial liabilities		34	(0)
Trade payables		(133)	59
Provisions		(1)	(7)
Other current liabilities		13	(37)
Cash generated from operations		607	95
Income taxes paid (net)		(86)	(54)
Net cash generated from operating activities		521	42
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital creditors, capital advances and intangible assets under construction)		(274)	(290)
Proceeds from sale of property, plant and equipment		0	4
Deposits with banks and financial institutions (placed)/ matured (net)		(1,117)	146
Intercompany loan repayment		50	50
Interest received on intercompany loan		1	10
Investment in subsidiary		(480)	(0)
Interest received		48	40
Net cash used in from investing activities		(1,772)	(39)
C Cash flows from financing activities			
Borrowings / (Repayment of borrowings) (net)		(241)	197
Proceeds from issue of shares (refer note 55)		2,166	-
Share issue expenses on account of IPO (refer note 55)		(262)	(93)
Proceeds from issue of shares on account of ESOPs		11	-
Interest paid (refer note below)		(11)	(16)
Interest on lease rentals (refer note below)		(38)	(43)
Payment of lease liabilities (refer note below)		(53)	(48)
Net cash/(used in) from financing activities		1,572	(3)
Net increase in cash and cash equivalents		321	0
Cash and cash equivalents at the beginning of the year	12	5	5
Cash and cash equivalents at the end of the year		326	5

Standalone Statement of Cash Flows

for the year ended 31 March 2025

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

Particulars	Note No.	31 March 2025	31 March 2024
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	12	76	5
(ii) Fixed deposits with maturity of less than 3 months	12	250	-
Cash on hand	12	0	0
Cash and cash equivalents at the end of the year		326	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".

Note:

a. Movement of liabilities arising from financing activities

As at 31 March 2025

Particulars	31 March 2024	Non-cash changes		Cash flows	31 March 2025
		Finance cost accrued during the year	Additions (Net)		
Borrowings	241	-	-	(241)	-
Lease liabilities	456	38	1	(91)	404
Interest on overdraft facility	-	11	-	(11)	-
Total	697	49	1	(343)	404

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

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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Standalone Statement of Changes in Equity

for the year ended 31 March 2025

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

A Equity share capital

As at 31 March 2025

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
103	11	114

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

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

B Other equity

Particulars	Attributable to the equity holders				Total other equity attributable to equity holders of the company
	Reserve and surplus			Items of other comprehensive income (OCI)	
	Securities premium reserve	Retained earnings	Employee stock option reserve	Employee stock option reserve	
As at 1 April 2023	1,158	574	6	8	1,746
Profit for the year	-	157	-	-	157
Bonus issue	(29)	-	-	-	(29)
Share based payment expense / contribution to subsidiaries	-	-	19	-	19
Other comprehensive income (net of tax)	-	-	-	(2)	(2)
As at 31 March 2024	1,129	731	25	6	1,891
Profit for the year	-	193	-	-	193
Proceeds from initial public offer	1,845	-	-	-	1,845
Proceeds from ESOP	11	-	-	-	11
Transfer from ESOP outstanding	12	-	(12)	-	(0)
owing to exercise of ESOPs	-	-	-	-	-
Share based payment expense / contribution to subsidiaries	-	-	12	-	12
Other comprehensive income (net of tax)	-	-	-	(0)	(0)
As at 31 March 2025	2,997	924	25	6	3,952

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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance officer

FCS No: 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(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 reapproved in the meeting of the Board of Directors held on 26 May 2025.

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 property plant and equipment added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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- 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 property plant and equipment 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;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

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- 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 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

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

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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

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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.

(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 are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

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(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

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2.18 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 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 2025, 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 2025

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

4 Property, plant and equipment

Particulars	Gross block			Accumulated depreciation			Net carrying value	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	Depreciation expense	As at 31 March 2025	As at 31 March 2024
Leasehold improvements	213	11	-	224	45	26	71	153
Plant and machinery	136	57	0	193	43	21	64	129
Electrical equipment	12	5	-	17	3	1	4	13
Office equipment	3	1	-	4	3	1	4	0
Computers	6	3	-	9	2	2	4	5
Furniture and fixtures	4	2	-	6	3	1	4	2
Vehicles	13	-	-	13	2	2	4	9
Total	387	79	0	466	101	54	155	311
								286

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	As at 31 March 2024	As at 31 March 2023
Leasehold improvements	196	17	-	213	28	17	45	168
Plant and machinery	99	37	-	136	26	17	43	93
Electrical equipment	9	3	-	12	2	1	3	9
Office equipment	3	0	-	3	2	1	3	0
Computers	4	2	-	6	1	1	2	4
Furniture and fixtures	4	0	-	4	2	1	3	1
Vehicles	18	1	6	13	1	3	2	11
Total	333	60	6	387	62	41	101	286
								271

Note:

- There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2023 till year ended 31 March 2025

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(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 amortisation			Net carrying value	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	Depreciation expense	As at 31 March 2025	As at 31 March 2024
Computer software	37	4	-	41	10	6	16	25
Licenses and Trademarks	11	16	-	27	1	4	5	22
Total	48	20	-	68	11	10	21	37

Particulars	Gross block			Accumulated amortisation			Net carrying value	
	As at 1 April 2023	Additions	Disposals	As at 31 March 2024	As at 1 April 2023	Amortisation expense	As at 31 March 2024	As at 31 March 2023
Computer software	31	6	-	37	4	6	10	27
Licenses and Trademarks	-	11	-	11	-	1	1	-
Total	31	17	-	48	4	7	11	27

Note:

- There has been no revaluation of intangible assets during the financial year beginning from 1 April 2023 till year ended 31 March 2025.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

4 Property, plant and equipment (Contd..)

4b Intangible assets under development

Particulars	As at 31 March 2025			
	Opening	Additions	Deduction	Closing
New product under development	16	9	16	9
Total	16	9	16	9

Particulars	As at 31 March 2024			
	Opening	Additions	Deduction	Closing
New product under development	11	16	11	16
Total	11	16	11	16

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 2024	16	-	-	-	16
As at 31 March 2025	9	-	-	-	9

4c Capital work in progress

Particulars	Amount
Balance as at 1 April 2023	-
Additions	408
Deduction	(33)
Balance as at 31 March 2024*	375
Additions	-
Deduction	-
Balance as at 31 March 2025*	375

* The Company has entered into an agreement on 1 September 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 Company has applied for the registration of a trademark in the name of the Company on 19 August 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 2025

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	-	375	-	-	375
Total	-	375	-	-	375

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	375	-	-	-	375
Total	375	-	-	-	375

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

4 Property, plant and equipment (Contd..)

4d Asset retirement obligations

Particulars	As at 31 March 2025	As at 31 March 2024
Assets retirement obligations	28	25

5 Right of use Asset

Particulars	Amount
Gross carrying amount	
As at 1 April 2023	796
Additions	2
Deduction	-
Balance as at 31 March 2024	798
Additions	-
Deduction	-
Balance as at 31 March 2025	798
Accumulated depreciation	
As at 1 April 2023	361
Additions	60
Deduction	-
Balance as at 31 March 2024	421
Additions	60
Deduction	-
Balance as at 31 March 2025	481
Net carrying amount	
Written down value as at 31 March 2024	377
Written down value as at 31 March 2025	317

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 2023 till year ended 31 March 2025.

6 Non current investments

Particulars	31 March 2025	31 March 2024
Trade investment (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries		
Stanley Retail Limited 5,898,276 [(31 March 2024: 4,856,130) equity shares of Rs. 10 each fully paid])(refer note 6.1 below)	737	257
Add: Deemed investment on account of ESOP offered to employees of subsidiary and step down subsidiary (refer note 6.2 below)	15	10
	752	267
ABS Seating Private Limited 198,588 [(31 March 2024: 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	1
	20	20

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

6 Non current investments (Contd..)

Particulars	31 March 2025	31 March 2024
Stanley OEM Sofas Limited 3,760,000 [(31 March 2023: 3,760,000) equity shares of Rs. 10 each fully paid])(refer note 6.3 below)	38	38
Add: Deemed investment on account of ESOP offered to employees of subsidiary (refer note 6.2 below)	2	1
	40	39
	812	326
Aggregate amount of unquoted investments	812	326
Category-wise non current investment		
Financial assets carried at cost	812	326

6.1 Movement in investment in Stanley Retail Limited

Particulars	Amount
Opening balance as at 1 April 2023	257
Addition of shares during the year	-
Closing balance as at 31 March 2024	257
Addition of shares during the year (1,042,146 equity shares of Rs 10 each fully paid basis at Rs 460.30 per share)	480
Closing balance as at 31 March 2025	737

During the current year, the Company has invested an aggregate amount of Rs 480 million in its wholly owned subsidiary Stanley Retail Limited ("SRL"). The purpose of this capital infusion was to enable the subsidiaries to support capital expansion across the group and also for the purpose of routing the Initial Public Offering ("IPO") fund to meet the objects in adherence to the method as prescribed in the prospectus.

The Company participated in the rights issue of SRL and subscribed to 1,043,100 equity shares, offered in the ratio of 1,000 equity shares for every 4,713 equity shares held, against the valuation-based requirement of 1,042,146 equity shares. The rights issue was fully subscribed. A nominal excess application amount of Rs 196 was refunded to the Company.

These intra-group capital transactions were carried out in compliance with applicable provisions of the Companies Act, 2013 and which were aimed at ensuring adequate capitalisation of the group entities to support their respective operational and strategic requirements.

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 subsidiaries.

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 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
Add: Deemed investment on account of ESOP	1
Closing balance as at 31 March 2025	40

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

7 A. Other financial assets

Particulars	31 March 2025	31 March 2024
Non-current		
(Unsecured considered good)		
Security deposits	39	35
Bank deposits with more than 12 months maturity	750	-
	789	35
Current		
(Unsecured, considered good)		
Security deposit	-	1
Interest accrued on fixed deposits	68	2
Other receivables	41	-
Other advances	0	-
Advance to employees	0	0
	109	3

B. Loans

Particulars	31 March 2025	31 March 2024
Non-current		
(Unsecured considered good)		
Loans to related parties (refer note 41)	-	50
	-	50

Note:

A. Loans to related parties

Particulars	31 March 2025	31 March 2024
Unsecured, considered good		
Stanley OEM Sofas Limited	-	50
Total	-	50

7B.1 i) The loan to Stanley OEM Sofas Limited i.e. Subsidiary Company of Rs. Nil (as at 31 March 2024 Rs 50 millions) at a rate of interest of Nil (31 March 2024: 12.70% p.a.) is receivable in monthly installment of Rs 7 million. The said loan has been repaid fully during the year ended 31 March 2025.

7B.2 Changes in loan from cash and non cash changes:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	50	79
Non cash changes- Interest accrued on the effective interest rate (refer note 24)	1	10
Non cash changes- Change in the fair value of loan (refer note 24)	-	21
Cash flow changes- Loan repaid during the year	(50)	(50)
Cash flow changes- Interest received for the year (refer note 41)	(1)	(10)
Balance at the end of the year	-	50

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

8 Deferred tax assets

Particulars	31 March 2025	31 March 2024
Deferred tax assets:		
Property plant and equipment	1	(0)
Provision for employee benefit expenses	3	1
Provision for bonus	3	2
Provision for expected credit loss	9	9
Lease Liabilities (net)	35	33
Others	2	4
Deferred tax assets (net)	53	49

9 Other assets

Particulars	31 March 2025	31 March 2024
Non-current		
Dues paid under protest	7	7
Capital advances	6	16
Prepaid expenses	1	-
	14	23
Current		
Advances to suppliers	37	20
Prepaid expenses*	21	98
Balance with statutory/ government authorities	1	23
Gratuity Fund (refer note 36)	-	1
	59	142

*Note: Prepaid expenses includes amount of Rs.15 millions (as at 31 March 2024: Rs 93 millions) that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders.

10 Inventories (at lower of cost and net realisable value)

Particulars	31 March 2025	31 March 2024
Raw materials (at cost)*	380	407
Work-in-progress	37	57
Finished goods	26	25
Stock-in-trade	20	28
	463	517

* including goods in transit of Rs 34 millions [31 March 2024 Rs 95 millions]

11 Trade receivables

Particulars	31 March 2025	31 March 2024
Current		
Unsecured, considered good		
- related party (refer note 41)	266	522
- others	21	67
	287	589
Unsecured, considered doubtful		
- related party (refer note 41)	27	27
- others	7	7
	34	34
Less: Allowance for expected credit loss ("ECL")	(34)	(34)
	287	589

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(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 2025

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	285	2	-	-	287
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	1	1	-	32	34
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	286	3	-	32	321
Less: Allowance for credit loss	(1)	(1)	-	(32)	(34)
Total trade receivables as at 31 March 2025	285	2	-	-	287

B. 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 31 March 2024	589	-	-	-	589

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	31 March 2025	31 March 2024
Balance at the beginning of the year	34	44
Addition/ (reversal) during the year	0	(10)
Balance at the end of the year	34	34

12 Cash and cash equivalents

Particulars	31 March 2025	31 March 2024
Cash on hand	0	0
Balances with banks		
- in current accounts	76	5
- in deposit accounts (refer note "a" below)	250	-
	326	5

Note:

a. Deposit accounts include Rs 250 millions (31 March 2024: Rs Nil) lien against the working capital facility to mature on 6 May 2025.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

13 Other balance with banks

Particulars	31 March 2025	31 March 2024
Deposits with original maturity of more than 3 months but less than 12 months (refer note "b" below)	776	403
In earmarked accounts (Refer note "a" below)	1	7
	777	410

Note:

- Earmarked accounts include Rs 1 millions (31 March 2024: Rs 3 millions) against the bank guarantee and Rs Nil (31 March 2024: Rs 4 millions) placed against the letter of credit obtained by the Company.
- Deposit accounts include Rs Nil (31 March 2024: Rs 400 millions) lien against the working capital facility.

14 Current tax assets (net)

Particulars	31 March 2025	31 March 2024
Taxes paid	156	134
Less: Provision for tax	(116)	(114)
	40	20

15 Equity share capital

15.1 Particulars	31 March 2025	31 March 2024
Authorized		
75,000,000 (31 March 2024: 75,000,000) equity shares of Rs 2/- each	150	150
	150	150
Issued, subscribed and fully paid-up		
Equity Shares		
57,107,158 (31 March 2024: 51,597,168) equity shares of Rs 2/- each	114	103
	114	103

15.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2025		31 March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,15,97,168	103	73,71,024	74
Subdivision i.e. split issue*	-	-	2,94,84,096	-
Issued during the year*	55,09,990	11	1,47,42,048	29
Total	5,71,07,158	114	5,15,97,168	103

* Refer 15.6 for details on split issue, bonus issue, IPO issue and ESOP.

15.3 Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2025		31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,73,75,547	34%
Shubha Sunil	1,61,93,533	28%	1,73,75,533	34%
Oman India Joint Investment Fund II	-	-	1,38,61,134	27%

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(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	31 March 2025		31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,73,75,547	34%
Shubha Sunil	1,61,93,533	28%	1,73,75,533	34%
Suresh Shamsundar	4,893	0%	4,893	0%

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 2024 Rs 2 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 2025

For the period of five years immediately preceding the 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 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 year ended 31 March 2024 after considering the total number of equity shares post subdivision and issue of bonus shares as per the provisions of the applicable Ind AS.

- The Company's equity shares have been listed on Bombay Stock Exchange Limited ("BSE") and on National Stock Exchange of India Limited ("NSE") on 28 June 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.
- Company has allotted 89,936 equity shares of Rs.2/- each as fully paid up pertaining to exercise of Employee Stock Option Plan 2022 (ESOP 2022) in its meeting dated 12 February 2025 [refer note 50].

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

16 Other equity

Particulars	31 March 2025	31 March 2024
Securities premium reserve [refer note 15.6]		
Balance at the beginning of the year	1,129	1,158
Add: Arising on issue of equity shares through IPO	1,989	-
Less: Share issue expenses on IPO	(144)	-
Add: On receipt of exercise price of ESOPs over and above the paid up capital	11	-
Add: On transfer from ESOP outstanding owing to exercise of ESOPs	12	-
Less: On account of bonus issue	-	(29)
Balance at the end of the year (A)	2,997	1,129
Retained earnings		
Balance at the beginning of the year	731	574
Add: Profit for the year	193	157
Balance at the end of the year (B)	924	731
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	6	8
Add: Re-measurement defined benefit plans (net) (refer note 36)	(0)	(2)
Balance at the end of the year (C)	6	6
Employee stock option plan [refer note 15.6]		
Balance at the beginning of the year	25	6
Share based payment expense / contribution to subsidiaries	12	19
Exercised during the year	(12)	-
Balance at the end of the year (D)	25	25
Total Equity (A) + (B) + (C) + (D)	3,952	1,891

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 [refer note 15.6]

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	31 March 2025	31 March 2024
Non-current		
Secured loans		
Long term loan (refer note (a) below)	-	2
	-	2
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	-	2
	-	-
Current		
Secured loans		
Secured, overdraft facility (refer note (b) below)	-	239
Current maturities of term loan (refer note (a) below)	-	2
	-	241

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

17 Borrowings (Contd..)

Notes:

- a) Working capital facilities (fund based and non-fund based) from State Bank of India Rs. Nil (31 March 2024 : Rs. 500 million), ICICI Bank Rs. 220 million (31 March 2024 : Rs. 220 million) aggregating to Rs. 220 Millions (as at 31 March 2024 : Rs 720 Millions) are secured by of Rs. 250 million bank deposit [(as at 31 March 2024 : 400 Millions (State Bank of India - Rs. 150 million, & ICICI Bank - Rs. 250 million)].
- b) The Company has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2024 to 31 March 2025.

18 Provisions

Particulars	31 March 2025	31 March 2024
Current		
Provision for employee benefits		
Gratuity (refer note 36)	3	-
Compensated absences (refer note 36)	7	4
Provision for warranty(refer note 43)*	6	7
	16	11

*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	31 March 2025	31 March 2024
Total outstanding dues to micro and small enterprises	11	11
Total outstanding of creditors other than micro and small enterprises		
- related party (refer note 41)	0	2
- others	176	311
	187	324

A. Trade payables ageing as at 31 March 2025

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	8	3	0	0	0	11
Undisputed dues to creditors other than micro and small enterprises	141	35	0	1	-	177
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables as at 31 March 2025	149	38	0	1	0	187

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

19 Trade payables (Contd..)

B. 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	154	158	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	154	169	1	-	0	324

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 38.
- For details on transactions and balances with related party, refer to note 41.
- Trade payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

20 Other financial liabilities

Particulars	31 March 2025	31 March 2024
Current		
Dealer deposits	0	0
Rent deposit from related party (refer note 41)	19	19
Employee benefits payable	35	-
Capital Creditors	0	171
	54	190

21 Other liabilities

Particulars	31 March 2025	31 March 2024
Advance from customers		
- Others	1	2
Statutory dues	24	9
	25	11

22 Current tax liabilities (net)

Particulars	31 March 2025	31 March 2024
Provision for taxes	8	60
Less: Taxes paid	-	(52)
	8	8

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

22 Current tax liabilities (net) (Contd..)

A. The major components of income tax expense for the year are as under :

Particulars	31 March 2025	31 March 2024
i. Tax expense recognized in the Standalone Statement of Profit and Loss		
Current tax expense:		
Current tax on profit for the year	61	54
Short/(Excess) Provision of tax relating to earlier years	5	3
Deferred tax expense:		
Deferred tax expenses	(4)	6
Total tax expense recognized in the Standalone Statement of Profit and Loss	62	63
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)	(0)
Items that will be reclassified to profit and loss		
Total tax expense recognized in other comprehensive income	(0)	(0)
Total tax expense	62	63

B. Reconciliation of tax expense and the accounting profit for the year is under:

Particulars	31 March 2025	31 March 2024
Accounting Profit before income tax expenses	255	220
Enacted tax rate in India (%)	25.17%	25.17%
Expected income tax expense	64	55
Tax effect of :		
Expenses which are permanent disallowance		
CSR Expenses	1	1
Interest disallowed	0	0
Impairment of investments	-	6
Tax relating to earlier years	5	3
Deduction under Section 80JJAA of Income Tax act, 1961	(1)	-
MSME allowed on payment basis	(2)	-
Expense disallowed income tax	-	(4)
Deduction under Section 35D of Income Tax Act, 1961	(5)	-
Others	(0)	2
Income tax expenses	62	63
Effective tax rate (%)	24%	29%

23 Revenue from operations

Particulars	31 March 2025	31 March 2024
Sale of products	2,175	2,313
	2,175	2,313

Refer note 41 for transaction with related parties

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

23 Revenue from operations (Contd..)

Reconciliation of amount of revenue recognised in Standalone Statement of Profit and Loss with contracted price:

Particulars	31 March 2025	31 March 2024
Sale of products		
Contract price	2,175	2,313
Revenue recognised	2,175	2,313
ii. Contract balances:		
a. Contract assets- Trade receivables (refer note 11)	287	589
b. Contract liabilities- Advance received from customers (refer note 21)	1	2

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 to customer.
- The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-60 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.

Revenue from customers individually contributing more than 10% of the Company's revenue aggregates to Rs. 1,357 million (year ended 31 March 2024 : Rs. 1,560 million) from 2 customers (year ended 31 March 2024: 2 customers)

24 Other income

Particulars	31 March 2025	31 March 2024
Interest income on		
- Bank deposits	112	36
- Intercompany loans (refer note below)	1	10
- Unwinding of security deposit	3	3
- Letter of credit margin	0	1
- Income tax refund	-	2
Rent including lease rentals (refer note 35)	61	60
Foreign exchange difference (net)	5	7
Liabilities no longer required written back	1	15
Hire charges income	10	11
Gain on de-recognition of loan	-	21
Profit on sale of property, plant and equipment	0	1
Cross charge income	39	29
Miscellaneous Income	4	-
	236	196

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

24 Other income (Contd..)

Note:

Particulars	31 March 2025	31 March 2024
Interest income at amortised cost method considering market rate of interest (@ 12.7% p.a. on related party loan* (Refer note 7)	1	10

* Although interest is 12.7% (31 March 2024: 12.7% p.a.) from the Subsidiary Company which amounts to Rs. 1 million (31 March 2024: Rs. 10 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 2024: 12.70% p.a.) on related party loan.

25 Cost of materials consumed

Particulars	31 March 2025	31 March 2024
Inventories at the beginning of the year	407	308
Add : Purchases made during the year		
- related party (refer note 41)	58	52
- others	1,152	1,493
	1,617	1,853
Less : Inventories at the end of the year (refer note 10)	380	407
Total cost of materials consumed	1,237	1,446

26 Purchase of stock-in-trade

Particulars	31 March 2025	31 March 2024
Purchase of stock-in-trade	-	0
	-	0

27 Changes in stock of finished goods and work-in-progress

Particulars	31 March 2025	31 March 2024
Inventories at the end of the year (refer note 10)		
Finished goods (traded)	20	28
Finished goods (manufactured)	26	25
Work-in-progress	37	57
	83	110
Inventories at the beginning of the year		
Finished goods (traded)	28	61
Finished goods (manufactured)	25	22
Work-in-progress	57	46
	110	129
	27	19

28 Employee benefit expenses

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	246	222
Share based payment expense (refer note 50)	8	8
Contribution to provident and other funds (refer note 36)	11	11
Staff welfare expenses	15	12
Gratuity expense (refer note 36)	4	4
	284	257

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

29 Finance costs

Particulars	31 March 2025	31 March 2024
Interest on-		
- Working capital facilities	11	15
- Term loan	0	-
- Lease liabilities	38	43
- Micro and small enterprises	1	1
- Others	-	0
Borrowing cost on asset retirement obligation	2	2
	52	61

30 Depreciation and amortisation expenses

Particulars	31 March 2025	31 March 2024
Depreciation on property, plant and equipment (refer note 4)	54	41
Amortization of intangible assets (refer note 4a)	10	7
Depreciation on right of use assets (refer note 5)	60	60
	124	108

31 Other expenses

Particulars	31 March 2025	31 March 2024
Advertisement and business promotion	113	104
Rent including lease rentals (refer note 35)	6	6
Carriage outwards	16	17
Royalty expense	-	4
Power and fuel	14	12
Expenditure on Corporate Social Responsibility (CSR) (refer note 49)	4	3
Travelling and conveyance	15	12
Security charges	7	8
Repairs and maintenance		
- Plant and machinery	1	1
- Others	25	18
Legal and professional charges	25	16
Rates and taxes	8	5
Job work charges	157	137
Bank charges	1	4
Communication expenses	4	4
Insurance expenses	11	10
Sales commission	4	3
Audit remuneration (refer note below)	5	3
Director sitting fees	3	3
Provision for expected credit loss (refer note 11)	0	-
Provisions for warranty (refer note 43)	7	5
Miscellaneous expenses	6	9
Reversal of expected credit loss, net (refer note 11)	-	(10)
Gain or loss on derecognition of loan from related party	-	24
	432	398
Note:		
Audit remuneration (net of GST credit)		
- statutory audit fees	5	3
- reimbursement of expenses	0	0
	5	3

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

32 Deferred Tax Assets (net)

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2025

Particulars	As at 31 March 2024	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2025
Tax effect of item constituting deferred tax assets				
Property plant and equipment	(0)	1	-	1
Provision for employee benefit expense	1	2	0	3
Provision for bonus	2	1	-	3
Provision for expected credit loss	9	0	-	9
Lease Liabilities (net)	33	2	-	35
Others	4	(2)	-	2
Total	49	4	0	53
Net deferred tax assets	49	4	0	53

As at 31 March 2024

Particulars	As at 1 April 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

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

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

33 Financial risk management objectives and policies (Contd..)

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 39 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.

a) 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.

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 2025 and 31 March 2024 is considered to be adequate.

Particulars	31 March 2025		31 March 2024	
	Not due and Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	285	36	589	34
Expected credit losses (Loss allowance provision)	(1)	(33)	-	(34)
Carrying amount of trade receivables (net of expected credit losses)	285	2	589	-

Movement in credit loss allowances

Particulars	Amount
As at 1 April 2023	44
Movement during the year	(10)
As at 31 March 2024	34
Movement during the year	0
As at 31 March 2025	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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

33 Financial risk management objectives and policies (Contd..)

As at 31 March 2025

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	3+ years	
Trade payables (refer note 19)	187	-	-	187
Other financial liabilities (refer note 20)	54	-	-	54
Lease liability (refer note 35)	36	121	247	404
	277	121	247	645

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
Lease liability (refer note 35)	53	106	297	456
	807	107	297	1,211

c) 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:

Financial liabilities	31 March 2025	31 March 2024
Term loan (including current maturities) (refer note 17)	-	2
Overdraft facilities (refer note 17)	-	239
Total	-	241

The sensitivity analysis 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 2025 would decrease / increase by Rs 0.11 million (for the year ended 31 March 2024: decrease / increase by Rs 0.15 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

33 Financial risk management objectives and policies (Contd..)

d) 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 2025	31 March 2024
Borrowings (including current maturities) (refer note 17)	-	241
Less:		
Cash and cash equivalents (refer note 12)	326	5
Bank balances other than cash and cash equivalents (refer note 13)	777	410
Net debt	(1,103)	(174)
Total equity	4,066	1,994
Capital gearing ratio	(0.27)	(0.09)

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	31 March 2025			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Investments in subsidiaries (refer note 6)	3	812	-	812	812
(b) Other financial assets (refer note 7A)					
- Security deposit including bank deposit	3	789	-	789	789
- Others	3	109	-	109	109
(c) Trade receivables (refer note 11)	3	287	-	287	287
(d) Cash and cash equivalents (refer note 12)	3	326	-	326	326
(e) Bank balances other than (e) above (refer note 13)	3	777	-	777	777
Total		3,100	-	3,100	3,100
Financial liabilities					
(a) Trade payables (refer note 19)	3	187	-	187	187
(b) Lease liabilities (refer note 35)	3	404	-	404	404
(c) Assets retirement obligations (refer note 4d)	3	28	-	28	28
(d) Other financial liabilities (refer note 20)	3	54	-	54	54
Total		673	-	673	673

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 35)	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

Note:

The Company 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

35 Leases

Information on leases as per Ind AS 116 on "Leases":

The Company has lease contracts for factories, showrooms and office premises.

(a) Following are the changes in the carrying value of right of use assets :

Particulars	31 March 2025	31 March 2024
Opening balance	377	435
Additions/modifications	-	2
Deletions/adjustments	-	-
Depreciation	(60)	(60)
Closing balance	317	377

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 2025		31 March 2024	
	Current	Non-current	Current	Non-current
Lease liabilities	36	368	53	403

(c) The following is the movement in the lease liabilities for the year ended 31 March 2025, 31 March 2024:

Particulars	Lease liabilities
As at 1 April 2023	502
Additions/modifications	2
Deletions	-
Finance costs	43
Lease rentals paid	(91)
Balance as at 31 March 2024	456
Additions/modifications	1
Deletions	-
Finance costs	38
Lease rentals paid	(91)
Balance as at 31 March 2025	404

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2025, 31 March 2024 on an undiscounted basis

Particulars	31 March 2025	31 March 2024
Undiscounted future cash flows		
- Not later than 1 year	70	92
- Later than 1 year and not later than 5 years	346	348
- Later than 5 years	179	247

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 year ended 31 March 2025 (31 March 2024: 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 61 millions (31 March 2024: Rs 60 millions).

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

36 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 2025	31 March 2024
Employer's contribution to provident fund and family pension fund	11	10
Employer's contribution to employees state insurance scheme	0	1
	11	11

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.

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 2025	31 March 2024
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	21	16
Interest cost	2	1
Current service cost	4	4
Benefits paid directly from employer	(0)	(1)
Benefits paid from the fund	(1)	-
Actuarial (gains)/losses on obligations		
Due to change in financial assumptions	1	0
Due to experience	(0)	1
Closing defined benefit obligation	27	21
ii) Changes in fair value of plan assets during the year:		
Opening fair value of planned assets	22	11
Interest income	2	1
Contributions by employer	-	11
Benefits paid	(1)	-
Return on plan assets, excluding interest income	1	(1)
Closing fair value of plan assets	24	22
iii) Net asset/(liability) recognized in the standalone Balance Sheet:		
Present value of benefit obligation at the end of the year	(27)	(21)
Fair value of plan assets at the end of the year	24	22
Net asset/(liability) recognized in the standalone balance sheet	(3)	1
Net Asset/(Liabilities) – current (refer note no 9 and refer note no 18)	(3)	1
iv) Expenses recognized in the Standalone Statement of Profit and Loss for the year:		
Current service cost	4	4
Net interest Cost	0	0
Expenses recognized in Standalone Statement of Profit and Loss	4	4

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

36 Employee benefits (Contd..)

Particulars	31 March 2025	31 March 2024
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	1	0
Due to experience	(0)	1
Return on plan assets, excluding interest income	(1)	1
Net (income)/expense for the period recognized in Standalone OCI	(0)	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	4	3
2nd following year	2	2
3rd following year	2	1
4th following year	3	2
5th following year	3	3
Sum of years 6 to 10	9	9
Sum of years 11 and above	25	21
viii) Standalone Balance Sheet reconciliation:		
Opening net liability	(1)	5
Expenses recognized in standalone Statement of Profit or Loss	4	4
Expenses recognized in standalone OCI	(0)	2
Benefit paid directly by the employer	(0)	(1)
Employer's contribution	-	(11)
Net liability/(asset) recognized in the Standalone Balance Sheet	3	(1)
ix) Category of assets:		
Insurance fund	24	22

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 2025	31 March 2024
Defined Benefit Obligation on Current Assumptions	27	21
Delta Effect of +1% Change in Rate of Discounting	(2)	(1)
Delta Effect of -1% Change in Rate of Discounting	2	2
Delta Effect of +1% Change in Rate of Salary Increase	2	1
Delta Effect of -1% Change in Rate of Salary Increase	(2)	(1)
Delta Effect of +1% Change in Rate of Employee Turnover	(0)	(0)
Delta Effect of -1% Change in Rate of Employee Turnover	1	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 2025 is 8 years (As at 31 March 2024: 8 years)

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

36 Employee benefits (Contd..)

b. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	31 March 2025	31 March 2024
Compensated absences		
- Current (refer note 18)	7	4
- Non-Current (refer note 18)	-	-
	7	4

37 Contingent liabilities and capital commitments (to the extent not provided for)

Particulars	31 March 2025	31 March 2024
(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	8
(c) Atria mall case (Refer note 1 below)	26	26
(d) L'Oreal case (Refer note 3 below)	20	-
(e) Others (relating to consumer complains and other matters)	1	2
(ii) Capital commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16	31
(c) Corporate Guarantee		
- Stanley Retail Limited, Subsidiary Company	200	201
- Stanley OEM Sofas Limited, Subsidiary Company	70	170

Notes:

1. 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.
2. 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 Company has appealed against the same during the year ended 31 March 2022 by remitting 20% i.e. Rs 0.28 million under dispute.
3. L'Oreal filed a suit against the Company for Trademark Infringement and Passing off of their slogan "Because I'm worth It". The Company had filed a Rectification Petition against L'Oreal's Trademark Registration for the mark "L'Oreal Because I'm Worth It". The matter is posted for arguing the Injunction Application on 18th July 2025. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

38 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"

Particulars	31 March 2025	31 March 2024
a. principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	9	11
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;	0	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2	2
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.	-	-

* 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.

39 Foreign currency risk exposure as at Standalone Balance Sheet date:

Particulars	31 March 2025		31 March 2024	
	Amount in Rs. Million	Amount in foreign currency Million	Amount in Rs. Million	Amount in foreign currency Million
Trade payables				
USD	(1)	(0)	(26)	(0)
Euro	(25)	(0)	(43)	(0)
GBP	(0)	(0)	-	-

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	31 March 2025	31 March 2024
Payables- Foreign currency /INR		
Increase in INR	(0.26)	(0.60)
Decrease in INR	0.26	0.60

40 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 2025

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

41 Related party transactions

41.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 (upto 05 July 2024)
Key Management Personnel (KMP)	Mr. Sunil Suresh- Managing Director Ms. Shubha Sunil- Whole Time Director Mr. Akash Shetty - Company Secretary Mr. Pradeep Kumar Mishra - Chief Financial Officer
Other 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 Mr. Ramanujam Venkat Raghavan, Independent Director (w.e.f., 22 August 2023) Mr. Sagarvasudev Venkatesh Kamath- Independent Director (Upto 21 July 2022) Ms. Anusha Shetty- Independent Director (w.e.f., 22 August 2023) Ms. Sonakshi Sunil - Director (w.e.f. 14 August 2024)
Entities in which KMP / Relatives of KMP can exercise significant influence	SASS Kitchens Stanley Estate & Leisure Design Eight Private Limited

41.b Particular of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2025	For the year ended 31 March 2024
Stanley Retail Limited	Subsidiary		
Sales		883	1,076
Cross charge income		92	102
Rental Income		44	44
Purchases		6	7
Investment made during the year		480	-
Reimbursement of Expenses - insurance		-	2
Recovery of Expenses		0	0
Stanley OEM Sofas Limited	Subsidiary		
Sales		130	113
Cross charge income		16	16
Purchases		52	44
Reimbursement of Expenses		-	0
Interest on loan		1	10
Rental Income		17	17
Loan recovery		50	50
Sana Lifestyles Limited	Step-down Subsidiary		
Sales		61	42
Reimbursement of expenses		-	0
Cross charge income		6	0

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

41 Related party transactions (Contd..)

Particulars	Relationship	For the year ended 31 March 2025	For the year ended 31 March 2024
Shrasta Décor Private Limited	Step-down Subsidiary		
Sales		139	159
Reimbursement of expenses		0	0
Purchases		-	1
Cross charge income		11	0
Design Eight Private Limited	Entities in which KMP / Relatives of KMP can exercise significant influence		
Sales		1	2
ABS Seating Private Limited	Subsidiary		
Sales		142	158
Cross charge income		8	0
Staras Seating Pvt. Ltd.	Step-down Subsidiary		
Sales		211	170
Comission Expenses		-	5
Cross charge income		21	-
Reimbursement of expenses		-	0
Stanley Estates and Leisure	Entities in which KMP / Relatives of KMP can exercise significant influence		
Sales		3	1
Rental Expense		0	0
Sunil Suresh	Key Managerial Personnel		
Salary/Perquisites		19	19
Royalty		-	4
Issue of Bonus Shares		-	10
Contract for purchase of trade mark		-	375
Shubha Sunil	Key Managerial Personnel		
Salary / Perquisites		19	19
Sales		0	1
Issue of Bonus Shares		-	10
Mr. Srinath Srinivasan	Other Directors		
Sitting fees		-	0
Mr. Sagarvasudev Venkatesh Kamath	Other Directors		
Sitting fees		-	0
Mr. Vishal Verma	Other Directors		
Sitting fees		0	1
Mr. Girish Nadkarni	Other Directors		
Sitting fees		1	1
Mrs. Anusha Shetty	Other Directors		
Sitting fees		1	0
Mr. Ramanujam Venkat Raghavan	Other Directors		
Sitting fees		1	1
Oman India Joint Investment Fund	Significant influence over the entity		
Issue of Bonus Shares		-	8
Akash Shetty	Key Managerial Personnel		
Salary / Perquisites		2	1
Sonakshi Sunil	Other Directors		
Sitting fees		0	-
Pradeep Kumar Mishra	Key Managerial Personnel		
Salary / Perquisites		21	10
Variable pay		-	4

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

41 Related party transactions (Contd..)

41.c Balances as at year end

Particulars	Relationship	31 March 2025	31 March 2024
ABS Seating Private Limited	Subsidiary		
Trade receivables		14	32
Investment		20	20
SASS Kitchens	Entity in which KMP / Relatives of KMP can exercise significant influence		
Trade receivables		6	6
Staras Seating Private Limited	Step-down Subsidiary		
Trade receivables		64	21
Stanley OEM Sofas Limited	Subsidiary		
Trade receivables		54	11
Rental deposit received		15	15
Loans and advances		-	50
Investment		40	39
Corporate Guarantee		70	170
Stanley Retail Limited	Subsidiary		
Trade receivables		59	359
Investment		752	267
Rental deposit received		4	4
Corporate Guarantee		200	201
Sana Lifestyles Limited	Step-down Subsidiary		
Trade receivables		3	15
Scheek Home Interiors Limited	Step-down Subsidiary		
Trade receivables		21	21
Shrasta Décor Private Limited	Step-down Subsidiary		
Trade receivables		72	84
Stanley Estates and Leisure			
Trade receivables	Entities in which KMP / Relatives of KMP can exercise significant influence	0	0
Design Eight Private Limited	Entities in which KMP / Relatives of KMP can exercise significant influence		
Trade receivables		0	0
Sunil Suresh	Key Managerial Personnel		
Trade Payables		-	0
Capital Creditor		-	168
Salary Payable		1	-
Shubha Sunil	Key Managerial Personnel		
Trade Payables		0	1
Trade receivables		-	0
Salary Payable		1	-
Mr. Vishal Verma	Other Directors		
Trade Payables		-	0
Mr. Girish Nadkarni	Other Directors		
Trade Payables		-	0
Mr. R V Raghavan	Other Directors		
Trade Payables		-	0
Akash Shetty	Key Managerial Personnel		
Trade Payables		-	0
Sonakshi Sunil	Other Directors		
Salary Payable		0	-
Pradeep Kumar Mishra	Key Managerial Personnel		
Trade Payables		-	0
Advance against Salary		0	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

42 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2025	31 March 2024
I. Basic earning per share		
Profits attributable to equity shareholders	193	157
Net profit for calculation of basic and diluted EPS	193	157
Weighted average number of equity shares in calculating basic EPS		
- No of equity share as at 31 March 2025/ 31 March 2024	5,57,15,151	5,15,97,168
Weighted average number of equity shares in calculating basic EPS	5,57,15,151	5,15,97,168
Basic earning per share in Rs.	3.46	3.04
II. Diluted earning per share		
Weighted average number of equity shares outstanding during the year ('C)	5,57,15,151	5,15,97,168
Weighted average share under Employee Stock Options	2,79,412	4,36,017.00
Weighted average share at average market price	(85,991)	(1,71,020.00)
Diluted earning per share in Rs.	3.45	3.03

43 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 2025 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	31 March 2025	31 March 2024
Balance as at the beginning of the year	7	6
Add: Charge for the year	7	5
Less: Utilised during the year	(8)	(4)
Balance as at the year end	6	7
Current liabilities	6	7

44 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 220 million (as at 31 March 2024 Rs. 720 million) are secured by bank deposit of Rs. 250 million (31 March 2024: Rs 400 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-23	SBI Bank	720	Trade receivables	461	511	(50)
	ICICI Bank		Trade payables	158	158	-
			Inventory	540	540	(0)
Sep-23	SBI Bank ICICI Bank	720	Trade receivables	684	685	(1)
	ICICI Bank		Trade payables	237	265	(28)
			Inventory	480	464	16
Dec-23	SBI Bank ICICI Bank	720	Trade receivables	710	712	(2)
	ICICI Bank		Trade payables	447	442	5
			Inventory	545	560	(15)
Mar-24	SBI Bank ICICI Bank	720	Trade receivables	643	645	(2)
	ICICI Bank		Trade payables	159	150	9
			Inventory	516	533	(17)

* Notes:

- Intercompany receivables and payables are considered for the purpose of filing out the statement to the bank.
- Stock-in-transit is considered for the purpose of filing out the statement to the bank.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

45 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.

46 Significant accounting ratios

The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024:

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% of change	Reason
Current ratio	Current assets	Current liabilities	6	2	212%	Refer note (i) below
Debt- equity ratio	Total debt ¹	Shareholder's equity	0	0	-72%	Refer note (i) and (ii) below
Debt- service coverage ratio	Earnings available for debt service ²	Debt service ³	3	1	240%	Refer note (ii) below
Return on equity ratio	Net profits after taxes	Average shareholder's equity	0	0	-23%	-
Inventory turnover ratio	Cost of goods sold	Average inventory	3	3	-16%	-
Trade receivables turnover ratio	Revenue from operations ⁴	Average trade receivable	5	5	8%	-
Trade payables turnover ratio	Total purchase ⁵	Average trade payables	6	6	0%	-
Net capital turnover ratio	Revenue from operations ⁴	Working capital ⁶	1	3	-54%	Refer note (i) below
Net profit ratio	Net Profit after taxes	Revenue from operations ⁴	9%	7%	31%	Refer note (iii) below
Return on capital employed	Earning before interest and taxes	Capital employed ⁷	7%	11%	-35%	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 current asset on account of initial public offering by the Company during the year has resulted in movement in this ratio.
- Decrease in debt of the Company during the year has resulted in movement in this ratio.
- Increase in profitability during the year driven by increase in margins on products of the Company has resulted in movement in this ratio.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

47 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 2025	31 March 2024
Stanley OEM Sofas Limited, Subsidiary Company (refer note 7B.2)	12.70%	1 April 2029	-	50

48 Relationship with struck off 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 off companies	Nature of balances	31 March 2025	31 March 2024
Kaymo Fastner Company	Trade payables	-	1

49 Details of Corporate Social Responsibility (CSR) expenditure

Particulars	31 March 2025	31 March 2024
(a) Gross amount required to be spent by the Company during the year as per Section 135 of the Act.	4	3
(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)	4	-
c) Details related to spent / unspent obligation		
(i) Construction / Acquisition of any asset	-	-
(ii) Unspent amount relating to		
- Ongoing project*	-	-
- Other than ongoing project*	-	3

Details of other than ongoing project

31 March 2025

Opening balance	Amount required	Amount spent during the year			Closing balance	
In separate CSR unspent account	to be spent during the year	From Company's bank account	From Separate CSR unspent account	With Company	With Company	Excess in unspent account
2	4	-	(6)	-	-	-

31 March 2024

Opening balance	Amount required	Amount spent during the year			Closing balance	
In separate CSR unspent account	to be spent during the year	From Company's bank account	From Separate CSR unspent account	With Company	With Company	Excess in unspent account
2	3	-	(3)	-	-	2

* During financial year ended 31 March 2024 the Company had 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 which was subsequently paid to Rotary Club.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

49 Details of Corporate Social Responsibility (CSR) expenditure (Contd..)

Movement in provision for CSR:

Particulars	31 March 2025	31 March 2024
Balance at the beginning of the year	7	2
Provision made during the year*	4	3
Refund received for non utilising the amount	-	4
Provision utilised during the year	(11)	(3)
Balance at the end of the year	-	7

* Provision made during the financial year ended 31 March 2024 is transferred to PM care fund of Rs 3 Million on 16 July 2024.

50 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	Bucket D
Date of grant	16 November 2022	16 November 2022	04 January 2024	12 February 2025
No. of options granted	36,662	4,565	1,80,836	3,374
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	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%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30% subject to Company's and Individual's performance. However, 482 options to be vested in a years time subject to Company's and Individual's performance
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	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

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

50 Employee Stock Options (Contd..)

Particulars	Stanley Lifestyle Stock Option plan 2022			
	Bucket A	Bucket B	Bucket C	Bucket D
Vesting conditions	Continues services and performance	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 & Rs 121	Rs. 121 & Rs, 156
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs. 901	Rs. 1,403	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares	Rs.129	Rs 200	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

50 Employee Stock Options (Contd..)

Movement in stock options during the year

Particulars	Bucket A			Bucket B			Bucket C			Bucket D		
	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*
Opening balance	2,23,153	850	36,662	32,028	10	4,565	1,80,836	135	-	-	-	-
Granted during the year	-	-	-	-	-	-	-	135	1,80,836	3,374	156	-
Increase consequent to split of equity shares and issue of bonus shares to equity share holders (refer note 56)**	-	121	2,19,972	-	2	27,463	-	-	-	-	-	-
Forfeited during the year	(15,288)	121	(33,481)	(3,289)	2	-	(50,984)	135	-	(482)	156	-
Exercised during the year*	(79,379)	121	-	(10,557)	2	-	-	-	-	-	-	-
Outstanding at the end of the year	1,28,486	121	2,23,153	18,182	2	32,028	1,29,852	135	1,80,836	2,892	156	-

* Weighted average exercise price for options exercised during the year Rs. 99.15 (31 March 2024: Rs. Nil). Total 1924 options [1,496 options of Bucket A, 428 options of Bucket B] has been vested but not yet exercised as on 31st March 2025.

** Consequent to split of one option into five options and then two bonus options for every five options the numbers has been updated.

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 2025			As at 31 March 2024		
	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 & Rs 121	Rs 121	Rs 2	Rs 156.00
Risk free rate of return	7.32%	7.32%	7.25%	7.32%	7.32%	7.25%
Life of the options granted (vesting and exercise period) in years	4 years	4 years	4 years	4 years	4 years	4 years
Volatility	16.06%	16.06%	50.00%	16.06%	16.06%	50.00%

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

50 Employee Stock Options (Contd..)

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Expense arising from equity-settled share-based payment transactions	8	8

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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).

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- A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (intermediaries) other than as disclosed in the financial statements 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.

- 53 The Company has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2025 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

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

- 54** The Company has received an amount of Rs. 1,811 million (net off estimated IPO expense of Rs 189 million) from proceeds out of fresh issue of equity shares. The utilization of the net IPO proceeds is summarized as below:

Objects of issue as per prospectus	Amount to be utilized as per prospectus	Utilization up to 31 March 2025	Un-utilized amount as on 31 March 2025
1. Investment in certain subsidiaries, having retail operations for:	1,402	174	1,228
a. opening of new stores by such subsidiaries			
b. opening the anchor stores by such subsidiaries			
c. renovation of the existing stores by such subsidiaries"			
2. Funding the capital expenditure requirements for purchase of new machinery and equipment by the Company and its material subsidiary, Stanley OEM Sofas Limited.	67	67	-
3. General corporate purposes	343	320	22
Total	1,811	561	1,250

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- (i) Proceeds from issue of shares includes recoveries towards the share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 223 million in the current year.
- (ii) Share issue expenses on account of IPO includes payments towards share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 164 million (31 March 2024: Rs 59 million).

- 56** All amounts disclosed in this standalone financial statements and notes to standalone financial statements have been rounded off to the nearest million, unless otherwise stated. 0 represents amounts less than Rs. 1 million.

- 57** The Company evaluated all events or transactions that occurred after 31 March 2025 up through 26 May 2025, the date the standalone 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 standalone financial statements.

- 58** 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 Kumar Mishra
 Chief Financial Officer
Akash Shetty
 Company Secretary &
 Compliance officer
 FCS No: 11314

Place: Bengaluru
 Date: 26 May 2025



Consolidated Financial Statement

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 Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2025, 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 consolidated 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 the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matter 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, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, 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 ("SA"s) 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 Matter 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 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 and Corporate Governance 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 we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, 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 Board of Directors 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 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 Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 366 million as at 31 March 2025, total revenues of Rs. 311 million and net cash outflows amounting to Rs. 2 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 matter with respect to our reliance on the work done and the other auditors and the financial statements certified by the Management.

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 Matter 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 relating to preparation of the aforesaid consolidated financial statements have been kept by the Group, 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 by a subsidiary, (refer Note 49A to the consolidated financial statements) and 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 31 March 2025 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 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 company, 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 four subsidiary companies, to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

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 three subsidiary companies incorporated in India, being private companies, Section 197 of the Act related to the managerial remuneration is not 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, respectively that, 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 or any of such subsidiaries, 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, 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, respectively that, 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(s) or entity(ies), including foreign entities ("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, which included test checks, and based on other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instance mentioned below, four subsidiary companies of the parent have used accounting Software for maintaining their respective books of account for the year ended 31 March 2025, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
 - 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.
 - b) In respect of one subsidiary company, the accounting software did not have a feature of recording audit trail (edit log) facility.

(Refer note 49B to the consolidated financial statements)

Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

As audit trail feature was not enabled for the year ended March 31, 2024, 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.

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 companies included in the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP

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

Sandeep Kukreja

Partner

Place: Bengaluru
Date: 26 May 2025

(Membership No. 220411)
(UDIN: 25220411BMOQDC9880)

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 financial statements of the Company as at and for the year ended 31 March 2025, 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 includes internal financial controls with reference to consolidated financial statements of the Company and its subsidiaries which are companies incorporated in India, as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The respective Company’s Management and 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 the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter 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 the other auditors referred to in the Other Matter 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 31 March 2025, 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 Matter

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 matter.

For DELOITTE HASKINS & SELLS LLP

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

Sandeep Kukreja

Partner

Place: Bengaluru
Date: 26 May 2025

(Membership No. 220411)
(UDIN: 25220411BMOQDC9880)

Consolidated Balance Sheet

as at 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	4(a)	893	840
Right of use assets	5	1,603	1,557
Capital work-in-progress	4(d)	376	382
Intangible assets	4(b)	53	43
Intangible assets under development	4(c)	9	16
Goodwill on consolidation	4(e)	26	26
Financial assets			
(i) Other financial assets	6	919	143
Deferred tax assets (net)	7	192	128
Current tax assets (net)	13	41	33
Other non-current assets	8	26	24
Total non-current assets		4,138	3,192
Current assets			
Inventories	9	1,404	1,422
Financial assets			
(i) Trade receivables	10	240	257
(ii) Cash and cash equivalents	11	477	71
(iii) Bank balances other than (ii) above	12	924	455
(iv) Other financial assets	6	130	22
Other current assets	8	136	223
Total current assets		3,311	2,450
Total assets		7,449	5,642
Equity and liabilities			
Equity			
Equity share capital	14	114	103
Other equity	15	4,529	2,367
Total equity attributable to equity holders		4,643	2,470
Non controlling interest	15	112	111
Total equity		4,755	2,581
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	7	9
(ii) Lease liabilities	34	1,633	1,554
(iii) Asset retirement obligations	4(f)	53	49
Provisions	17	12	9
Total non-current liabilities		1,705	1,621
Current liabilities			
Financial liabilities			
(i) Borrowings	16	16	262
(ii) Lease liabilities	34	235	218
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	18	31	34
b) Total outstanding dues of creditors other than micro and small enterprises	18	313	465
(iv) Other financial liabilities	19	65	172
Other current liabilities	20	277	248
Provisions	17	34	25
Current tax liabilities (net)	21	18	16
Total current liabilities		989	1,440
Total liabilities		2,694	3,061
Total equity and liabilities		7,449	5,642

The accompanying notes are 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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Consolidated Statement of Profit and Loss

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2025	For the year ended 31 March 2024
I Revenue from operations	22	4,262	4,325
II Other income	23	172	113
III Total income		4,434	4,438
IV Expenses			
a) Cost of materials consumed	24	1,536	1,743
b) Purchase of stock-in-trade	25	280	360
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	47	(110)
d) Employee benefits expenses	27	625	572
e) Finance costs	28	182	191
f) Depreciation and amortisation expenses	29	444	381
g) Other expenses	30	956	911
V Total expenses		4,070	4,048
Profit before tax (III - V)		364	390
VI Tax expenses			
a) Current tax	31	128	120
b) Deferred tax charge/ (credit)	31	(64)	(21)
c) Short/(excess) provision of tax relating to earlier years	31	8	0
Total tax expenses		72	99
VII Profit for the year		292	291
Profit/(Loss) attributable to non controlling interest	15	1	(10)
Profit attributable to owners		291	301
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	1	(2)
Income tax effect on above	31	(0)	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		293	290
Total comprehensive income/(losses) attributable to non controlling interest		1	(10)
Total comprehensive income attributable to owners		292	300
Earnings per equity share in Rs. (nominal value per share Re. 2)*			
(a) Basic	42	5.22	5.83
(b) Diluted	42	5.20	5.80

The accompanying notes are 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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

(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 2025	For the year ended 31 March 2024
A Cash flows from operating activities:			
Profit before tax for the year		364	390
Adjustments for:			
Depreciation and amortisation expenses	29	444	381
Bad debts	30	-	1
Provision for credit allowances	30	11	(9)
Provision for supplier advances	30	10	1
Unrealised foreign exchange (gain)/ loss (net)		0	0
Liabilities no longer required written back	23	(3)	(17)
Provisions for warranty	30	7	5
Share based payment expense	27	14	17
Gain or loss on modification of leases	23	(4)	(28)
(Gain)/ loss on sale of property, plant and equipment (net)	30 & 23	(0)	16
Finance costs	28	182	191
Interest income	23	(129)	(55)
Cash flows from operating activities before working capital changes		896	893
Change in assets and liabilities			
Adjustments for (increase)/ decrease in assets:			
Inventories		18	(208)
Trade receivables		6	(83)
Financial assets		(32)	(18)
Other assets		(18)	(20)
Adjustments for increase/ (decrease) in liabilities:			
Trade payables		(143)	77
Financial liabilities		65	(0)
Provisions		6	(12)
Other current liabilities		27	(46)
Cash generated from operations		825	583
Income taxes paid (net)		(142)	(128)
Net cash flow from operating activities		683	455
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress, capital advances and capital creditors)		(374)	(488)
Proceeds from sale of property, plant and equipment		1	13
Investment in intangible assets under development		7	(16)
Deposits with banks and financial institutions (placed)/ matured (net)		(1,227)	183
Interest received		51	45
Net cash used in investing activities		(1,542)	(263)
C Cash flows from financing activities			
Payment of lease rentals (refer note (a) below)	34	(225)	(166)
Interest on lease rentals (refer note (a) below)	34	(163)	(163)
Proceeds from short term borrowings (net) (refer note (a) below)		(248)	226
Interest paid on borrowings (refer note (a) below)		(14)	(22)
Proceed from issue of shares on account of IPO (refer note 52)		2,166	-
Share issue expenses on account of IPO (refer note 52)		(262)	(93)
Proceeds from issue of shares on account of ESOPs		11	-
Net cash from/ (used) in financing activities		1265	(218)
Net increase /(decrease) in cash and cash equivalents		406	(26)
Cash and cash equivalents at the beginning of the year	11	71	97
Cash and cash equivalents at the end of the year		477	71

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

(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 2025	For the year ended 31 March 2024
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	11	226	68
(ii) Fixed deposits with maturity of less than 3 months		250	-
(ii) Cash on hand	11	1	3
Cash and cash equivalents at the end of the year		477	71

Note:

a. Movement of liabilities arising from financing activities

As at 31 March 2025

Particulars	31 March 2024	Non-cash changes		Cash flows	31 March 2025
		Finance cost accrued during the year	Additions (Net)		
Borrowings	271	-	-	(248)	23
Lease liabilities	1,772	163	321	(388)	1,868
Interest on overdraft facility	-	14	-	(14)	-
Total	2,043	177	321	(650)	1,891

As at 31 March 2023

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

- 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 accompanying notes are 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 Kumar Mishra

Chief Financial Officer

Akash Shetty

Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

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

A. Equity share capital

As at 31 March 2025

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
103	11	114

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

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 1 April 2023	1,163	909	7	12	2,091	73
Add / (Less):						
On account of issue of bonus	(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
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	(0)
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
Add / (Less):						
Profit for the year	-	291	-	-	291	1
Proceeds from initial public offer	1,845	-	-	-	1,845	-
Proceeds from ESOP	11	-	-	-	11	-
Transfer from ESOP outstanding owing to exercise of ESOPs	12	-	(12)	-	-	-
Share based payment expense	-	-	14	-	14	-
Re-measurement gain/loss defined benefit plans (net of tax)	-	-	-	1	1	0
As at 31 March 2025	3,001	1,490	26	12	4,529	112

The accompanying notes are 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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Whole Time Director

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Pradeep Kumar Mishra

Chief Financial Officer

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Company Secretary &

Compliance Officer

FCS No. 11314

Place: Bengaluru

Date: 26 May 2025

Place: Bengaluru

Date: 26 May 2025

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(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 2025 were authorized by Board of Directors on 26 May 2025.

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 2025, 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 2025 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 2025.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial 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 for the year ended 31 March 2025.

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 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind 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 2025 held by	% ownership held either directly or through subsidiaries	
				As at 31 March 2025	As at 31 March 2024
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 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

- 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 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 2025

(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 property, plant and equipment 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 2025

(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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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 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

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after the impairment was recognised, then the previously 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 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 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.

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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.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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.

2.15 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 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 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.

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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 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.

2.17 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, 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

2.18 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 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 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 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.

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(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 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Consolidated Financial Statements

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

4(a) Property, plant and equipment

As at 31 March 2025

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value	
	As at 1 April 2024	Additions	Deletions	As at 31 March 2025	Depreciation for the period	Deletions	As at 31 March 2025	As at 31 March 2024
Leasehold improvements	684	81	1	764	77	0	212	549
Plant and machinery	166	67	0	233	25	0	74	117
Electrical equipment	86	12	0	98	10	0	23	73
Furniture and fixtures	56	13	5	64	7	5	11	47
Office equipment	24	10	-	34	5	-	15	14
Computers	23	7	0	30	7	0	19	11
Vehicles	33	-	-	33	5	-	9	29
Total	1,072	190	6	1,256	136	5	363	840

As at 31 March 2024

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value	
	As at 1 April 2023	Additions	Deletions	As at 31 March 2024	Depreciation for the period	Deletions	As at 31 March 2024	As at 31 March 2023
Leasehold improvements	564	153	33	684	65	11	135	483
Plant and machinery	129	39	2	166	19	1	49	98
Electrical equipment	53	39	6	86	8	3	13	45
Furniture and fixtures	38	19	1	56	5	1	9	33
Office equipment	20	4	0	24	4	0	10	14
Computers	16	7	0	23	6	0	12	11
Vehicles	24	15	6	33	4	2	4	22
Total	844	276	48	1,072	111	18	232	705

Note:

- There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2023 till year ended 31 March 2025.

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4(b) Intangible assets

As at 31 March 2025

Particulars	Gross carrying value			Accumulated amortisation			Net carrying value		
	As at 1 April 2024	Additions	Disposal	As at 31 March 2025	As at 1 April 2024 1 April 2024	Amortisation for the period	Disposal	As at 31 March 2025	As at 31 March 2024
Computer software	42	5	-	47	13	7	-	20	29
Licenses and Trademarks	16	16	-	32	2	4	-	6	14
Total	58	21	-	79	15	11	-	26	43

As at 31 March 2023

Particulars	Gross carrying value			Accumulated amortisation			Net carrying value	
	As at	Additions	Disposals	As at	As at	Amortisation	As at	As at
	1 April 2023			31 March 2024	1 April 2023	for the period	31 March 2024	31 March 2023
Computer software	36	6	-	42	7	6	13	29
Licenses and Trademarks	-	16	-	16	-	2	2	-
Total	36	22	-	58	7	8	15	29

Note:

- There has been no revaluation of intangible assets during the financial year beginning from 1 April 2023 till year ended 31 March 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

4(c) Intangible assets under development

As at 31 March 2025

Particulars	As at 1 April 2024	Additions	Deductions	As at 31 March 2025
New product under development	16	9	16	9
Total	16	9	16	9

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

Note:

- The Group has incurred the above costs for the development of new design of sofas and furniture.

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 2024	16	-	-	-	16
As at 31 March 2025	9	-	-	-	9

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 2025

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*	1	375	-	-	376
Total	1	375	-	-	376

*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 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 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

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for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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 2024	382	-	-	-	382
As at 31 March 2025	1	375	-	-	376

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 2025	As at 31 March 2024
Opening balance	26	37
Adjustment during the year	-	(11)
Closing balance	26	26

4(f) Assets retirement obligations

Particulars	As at 31 March 2025	As at 31 March 2024
Assets retirement obligations	53	49

5 Right of use Assets (refer note 34)

Particulars	Amount
Gross carrying amount	
Balance as at 1 April 2023	2,069
Additions	637
Deductions	(158)
Balance as at 31 March 2024	2,548
Additions	360
Deductions	(23)
Balance as at 31 March 2025	2,885
Accumulated depreciation	
Balance as at 1 April 2023	824
Additions	262
Deductions	(95)
Balance as at 31 March 2024	991
Additions	297
Deductions	(6)
Balance as at 31 March 2025	1,282
Net carrying amount	
Written down value as at 31 March 2024	1,557
Written down value as at 31 March 2025	1,603

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 2023 till year ended 31 March 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

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6 Other financial assets

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(Unsecured, considered good)		
Security deposits at amortised cost		
- related party (refer note 37)	-	2
- Others	161	141
Bank deposits with more than 12 months maturity	758	-
	919	143
Current		
(Unsecured, considered good)		
Security deposits		
- related party (refer note 37)	1	-
- Others	15	14
Interest accrued on fixed deposits	72	6
Other receivables	42	2
Other Advances	0	-
Advance to employees	0	0
Advance to employee		
	130	22

7 Deferred tax assets (refer note 31)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax assets:		
Property plant and equipment	9	10
Elimination of unrealised profits	34	-
Provision for compensated absences	8	4
Provision for expected credit loss	15	12
Provision for bonus	6	5
Provision for doubtful advance	3	-
Lease liabilities (net)	102	87
Carry forward losses of subsidiaries	5	-
Others	10	10
	192	128
Deferred tax assets (net)	192	128

8 Other assets

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
(Unsecured, considered good)		
Dues paid under protest	7	7
Capital advances	18	17
Prepaid expenses	1	0
	26	24

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

8 Other assets (Contd..)

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
(Unsecured, considered good)		
Advances to suppliers	71	57
Prepaid expenses*	29	103
Gratuity fund balance	-	1
Balance with statutory/ government authorities	36	43
Insurance claim (refer note 50)	-	19
Current		
(Unsecured considered doubtful)		
Advances to suppliers	11	1
Less: Provision for supplier advances	(11)	(1)
	-	-
	136	223

*Note: Prepaid expenses includes amount of Rs.15 millions (as at 31 March 2024: Rs 93 millions) that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders.

9 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials (at cost)*	492	463
Work-in-progress	44	65
Finished goods(traded and manufactured)**	868	894
	1,404	1,422

* including goods in transit of Rs.48 million (31 March 2024 Rs. 95 million)

** including goods in transit of Rs. Nil million (31 March 2024: Rs 0.25 million)

10 Trade receivables

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Unsecured, considered good		
- related party (refer note 37)	67	9
- others	183	248
	250	257
Unsecured, considered doubtful		
Credit impaired		
- related party (refer note 37)	6	6
- others	23	22
	29	28
Less: Allowance for expected credit loss ("ECL")	(39)	(28)
	240	257

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

10 Trade receivables

A. Trade receivables ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	238	6	6	-	250
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	13	4	5	7	29
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	250	11	11	7	279
Less: Allowance for credit loss	(18)	(7)	(7)	(7)	(39)
Total trade receivables as at 31 March 2025	233	3	4	-	240

A. Trade receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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:

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 2025	As at 31 March 2024
Balance at the beginning of the year	28	42
Debtors written off during the year	-	(5)
Change in provision during the year (refer note 30)	11	(9)
Balance at the end of the year	39	28

11 Cash and cash equivalents

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	1	3
Balances with banks		
- in current accounts	226	68
- in deposit accounts (refer note a below)	250	-
	477	71

Note:

a. Deposit accounts include Rs 250 millions (31 March 2024: Rs Nil) lien against the working capital facility to mature on 6 May 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

12 Other balances with banks

Particulars	As at 31 March 2025	As at 31 March 2024
Deposits with original maturity of more than 3 months but less than 12 months (refer note a & b below)	923	455
In earmarked accounts (balance held as margin money)	1	-
	924	455

Note:

- Deposit accounts includes Rs. 7 million (31 March 2024: Rs 8 million) against the bank guarantee and Rs. 4 millions (31 March 2024: Rs. 7 million) placed against the letter of credit obtained by the Group.
- Deposit accounts includes Rs. Nil (31 March 2024: Rs 427 million) lien against the working capital facility.

13 Current tax assets (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Taxes paid	83	319
Less: Provision for tax	(42)	(286)
	41	33

14 Equity share capital

14.1 Particulars	As at 31 March 2025	As at 31 March 2024
Authorized share capital		
75,000,000 (31 March 2024: 7,500,000) equity shares of Rs 2/- each	150	150
	150	150
Issued, subscribed and fully paid-up equity shares		
57,107,158 (31 March 2024: 51,597,168) equity shares of Rs 2/- each	114	103
	114	103

14.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,15,97,168	103	73,71,024	74
Sub-division i.e. split issue*	-	-	2,94,84,096	-
Issued during the year*	55,09,990	11	1,47,42,048	29
Total	5,71,07,158	114	5,15,97,168	103

*Refer 14.6 for details on split issue, bonus issue, IPO issue and ESOP.

14.3 Details of shareholders holding more than 5% shares in Parent.

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,73,75,547	34%
Shubha Sunil	1,61,93,533	28%	1,73,75,533	34%
Oman India Joint Investment Fund II	-	0%	1,38,61,134	27%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

14 Equity share capital (Contd..)

14.4 Details of promoters shareholding as required by Companies Act, 2013*

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,73,75,547	34%
Shubha Sunil	1,61,93,533	28%	1,73,75,533	34%
Suresh Shamsundar	4,893	0%	4,893	0%

* For the purpose of disclosure, definition of promoter as per the Companies Act, 2013 has been considered

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 2025

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 Parent 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 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 Parent Company stands increased from Rs. 74 Millions 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.

- 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.
- The Parent Company has allotted 89,936 equity shares of Rs.2/- each as fully paid up pertaining to exercise of Employee Stock Option Plan 2022 ('ESOP 2022') in its meeting dated 12 February 2025 [refer note 46]

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

15 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Securities premium reserve (refer note 14.6)		
Balance at the beginning of the year	1,133	1,163
Add: Arising on issue of equity shares through IPO	1,989	-
Less: Share issue expenses on IPO	(144)	-
	1,845	-
Add: On receipt of exercise price of ESOPs over and above the paid up capital	11	-
Add: On transfer from ESOP outstanding owing to exercise of ESOPs	12	-
Less: On account of bonus issue	-	(30)
	3,001	1,133
Retained earnings		
Balance at the beginning of the year	1,199	909
Add: Profit for the year	291	301
Goodwill adjustment	-	(11)
Balance at the end of the year	1,490	1,199
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	11	12
Re-measurement defined benefit plans (net)	1	(1)
Balance at the end of the year	12	11
Employee stock option plan (refer note 46)		
Balance at the beginning of the year	24	7
Share based payment expense	14	17
Exercised during the year	(12)	-
Balance at the end of the year	26	24
Total Equity	4,529	2,367
Non Controlling Interest		
Opening balance	111	73
Profit for the year	1	(10)
Re-measurement defined benefit plans (net)	0	(0)
Adjustment in change on account of change in non controlling interest	-	48
Closing balance	112	111

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 (refer note 46)

Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

16 Borrowings

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Secured loans		
Term loan [refer note (b) below]	9	13
	9	13
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	2	4
	7	9
Secured loans		
Secured, overdraft facility [refer note (a) below]	14	258
Current maturities of term loan [refer note (b) below]	2	4
	16	262

Notes:

- Working capital facilities (fund based and non-fund based) aggregating to Rs. 490 million (As at 31 March 2024 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. 250 million (31 March 2024: Rs. 405 million).
- Vehicle loan from ICICI Bank Limited of Rs 9 million (31 March 2024: Rs 11 million) including current maturities of long term debt Rs 2 million (31 March 2024: 2 million) carry interest at the 9% per annum (31 March 2024: 9% per annum) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs 2,41,455 each.
- The Group has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2023 to 31 March 2025 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-23	06-Apr-23	1	Vehicle Loan (Kotak Mahindra Bank)

17 Provisions

Particulars	As at 31 March 2025	As at 31 March 2024
Non-current		
Provision for employee benefits		
Gratuity (refer note 35)	12	9
	12	9
Current		
Provision for employee benefits		
Gratuity (refer note 35)	6	1
Compensated absences (refer note 35)	14	10
Provision for warranty (refer note 43)*	14	14
	34	25

*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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

18 Trade payables

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues to micro and small enterprises (refer note 39)	31	34
Total outstanding dues of creditors other than micro and small enterprises		
- related parties (refer note 37)	0	3
- others	313	462
	344	499

A. Trade payables ageing schedule as at 31 March 2025

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	27	4	0	0	0	31
Undisputed dues to creditors other than micro and small enterprises	259	51	2	1	-	313
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
Total trade payable as at 31 March 2025	286	55	2	1	0	344

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:

- 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 considered due date.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

19 Other financial liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Current		
Dealer deposits	0	0
Capital Creditors	0	172
Employee benefits payable	65	-
	65	172

20 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Advance from customers	223	212
Statutory dues	54	36
	277	248

21 Current tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for taxes	98	88
Less: Taxes paid	(80)	(72)
	18	16

22 Revenue from operations

Particulars	31 March 2025	31 March 2024
Sale of products *	4,236	4,310
Other operating revenues	26	15
	4,262	4,325

*Refer note 37 for related party transactions

Reconciliation of amount of revenue recognised in Consolidated Statement of Profit and Loss with contracted price:

Particulars	31 March 2025	31 March 2024
i. Sale of products		
Contract price	4,236	4,310
Revenue recognized	4,236	4,310
ii. Other operating revenue		
a. Export incentive	26	15
iii. Contract balance		
a. Trade receivables (refer note 10)	240	257
b. Advance received from customers (refer note 20)	223	212

Notes to the Consolidated Financial Statements

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22 Revenue from operations

Performance obligation

Information about the Group's performance obligations are summarised below:

Sales as original equipment manufacturer

- i. The performance obligation is satisfied upon delivery of the goods on ex-works basis at the Group's manufacturing facility.
- ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-40 days.
- iii. 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

- i. The performance obligation is satisfied upon delivery of the good to customer.
- ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-60 days.
- iii. 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.

Revenue from customers individually contributing more than 10% of the Group's revenue aggregates to Rs. 954 million (year ended 31 March 2024 : Rs. 931 million) from 2 customers (year ended 31 March 2024: 2 customers)

23 Other income

Particulars	31 March 2025	31 March 2024
Interest income on		
- Bank deposits	116	41
- Unwinding of security deposit	13	11
- Letter of credit margin	0	1
- Income tax refund	1	2
Rent including lease rentals(refer note 37)	1	0
Gain or loss on modification of right to use asset	4	29
Profit on sale of property, plant and equipment	0	-
Foreign exchange difference (net)	6	5
Gross charge income(refer note 37)	8	-
Liabilities no longer required written back	3	17
Miscellaneous income	20	7
	172	113

24 Cost of materials consumed

Particulars	31 March 2025	31 March 2024
Inventories at the beginning of the year (refer note 9)	463	365
Add : Purchases made during the year		
- Related parties (refer note 37)	6	87
- others	1,559	1,754
	2,028	2,206
Less : Inventories at the end of the year (refer note 9)	492	463
Total cost of materials consumed	1,536	1,743

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

25 Purchase of stock-in-trade

Particulars	31 March 2025	31 March 2024
Purchase of stock-in-trade	280	360
	280	360

26 Changes in inventories of finished goods and work-in-progress

Particulars	31 March 2025	31 March 2024
Inventories at the end of the year (refer note 9)		
Finished goods (traded and manufactured)	868	894
Work-in-progress	44	65
	912	959
Inventories at the beginning of the year (refer note 9)		
Finished goods (traded and manufactured)	894	795
Work-in-progress	65	54
	959	849
	47	(110)

27 Employee benefit expenses

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	551	498
Contribution to provident and other funds (refer note 35)	26	24
Gratuity expense (refer note 35)	11	13
Share based payment expense (refer note 46)	14	17
Staff welfare expenses	23	20
	625	572

28 Finance costs

Particulars	31 March 2025	31 March 2024
Interest expense on		
- Working capital borrowings	13	22
- Term loan	0	-
- Micro and small enterprises (refer note 39)	1	1
- Lease liabilities (refer note 34)	163	163
- Others	-	1
Bank and Credit Card Charges	1	-
Borrowing cost on asset retirement obligations	4	4
	182	191

29 Depreciation and amortisation expenses

Particulars	31 March 2025	31 March 2024
Depreciation of property, plant and equipment (refer note 4(a))	136	111
Amortization of intangible assets (refer note 4(b))	11	8
Depreciation on right of use assets (refer note 5 and note 34)	297	262
	444	381

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

30 Other expenses

Particulars	31 March 2025	31 March 2024
Advertisement and business promotion	223	233
Clearing and forwarding charges	3	-
Rent including lease rentals (refer note 34)	17	24
Carriage outwards	66	63
Royalty expenses (refer note 37)	-	4
Power and fuel	69	58
Expenditure on Corporate Social Responsibility (CSR)	6	6
Travelling and conveyance	28	32
Security charges	32	28
Repairs and maintenance		
- Plant and machinery	9	5
- Building	8	7
- Others	65	59
Legal and professional charges	44	39
Rates and taxes	14	13
Job work charges	219	188
Bank charges	29	26
Communication expenses	8	7
Insurance expenses	18	16
Sales commission	30	38
Auditor remuneration (refer note below)	8	5
Loss on sale of property, plant and equipment	0	16
Director sitting fees	3	7
Packing material expenses	2	-
Bad debts	-	1
Provisions for warranty (refer note 43)	7	6
Provision/ (reversal) of expected credit loss (refer note 10)	11	(9)
Provision for supplier advances (refer note 8)	10	1
Foreign exchange difference (Net)	0	-
Postage and Courier expenses	0	-
Printing and stationery	1	-
Miscellaneous expenses	26	38
	956	911
Note:		
Audit remuneration (net of taxes)		
For statutory audit	8	5
For other audit	0	-
For reimbursement of expenses	0	0
	8	5

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 2025	31 March 2024
i. Tax expense recognized in the Consolidated Statement of Profit and Loss account:		
Current tax expense:		
Current tax on profit for the year	128	120
Relating to earlier years:		
Tax relating to earlier years	8	0
Deferred tax expense:		
Deferred tax expenses for the year	(64)	(21)
Total tax expense recognized in the Consolidated Statement of Profit and Loss Account	72	99

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

31 Income tax expenses (Contd..)

Particulars	31 March 2025	31 March 2024
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	0	(1)
Total tax expense recognized in Other Comprehensive Income:	0	(1)
Total tax expense recognized in Total Comprehensive Income:	72	98

B. Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	31 March 2025	31 March 2024
Accounting profit before income tax expenses	364	390
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expense	92	98
Tax effect of :		
- Expenses that are not deductible in determining taxable profit	6	2
- Elimination of unrealised profits	(34)	-
- tax relating to earlier years	8	0
- Others	0	(2)
Tax expenses recognized in Consolidated Statement of Profit and Loss Account	72	98
Effective tax rate (%)	17.62%	25.38%

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 2025	As at 31 March 2024
Deferred tax assets:		
Property plant and equipment	9	10
Elimination of unrealised profits	34	-
Provision for compensated absences	8	4
Provision for expected credit loss	15	12
Provision for bonus	6	5
Provision for doubtful advance	3	-
Lease liabilities (net)	102	87
Losses carry forward of subsidiary	5	-
Others	10	10
Total	192	128
Deferred tax assets (net)	192	128

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(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 2025

Particulars	As at 31 March 2024	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2025
Deferred tax assets				
Property plant and equipment	10	(1)	-	9
Elimination of unrealised profits	-	34	-	34
Provision for employee benefits	4	4	0	8
Provision for expected credit loss	12	3	-	15
Provision for bonus	5	1	-	6
Provision for doubtful advance	-	3	-	3
Lease liabilities (net)	87	15	-	102
Carry forward losses of subsidiaries	-	5	-	5
Others	10	(0)	-	10
Total	128	64	0	192
Net deferred tax assets	128	64	0	192

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

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 the 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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

32 Financial risk management objectives and policies (Contd..)

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 balance sheet.

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 2025, 31 March 2024 is considered to be adequate:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	251	28	259	26
Expected credit losses (Loss allowance provision)	(18)	(21)	(8)	(20)
Carrying amount of trade receivables (net of impairment)	232	8	251	6

Movement in expected credit losses:

Particulars	Amount
As at 1 April 2023	42
Provision/ (reversed) created during the year	(9)
Debtors written off during the year	(5)
As at 31 March 2024	28
Provision/ (reversed) created during the year	11
As at 31 March 2025	39

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

32 Financial risk management objectives and policies (Contd..)

As at 31 March 2025

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	More than 3 years	
Borrowings (refer note 16)	16	7	-	23
Trade payables (refer note 18)	344	-	-	344
Lease liability (refer note 34)	235	823	810	1,868
Other financial liabilities (refer note 19)	65	-	-	65
	660	830	810	2,300

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
Lease liability (refer note 34)	218	680	874	1,772
Other financial liabilities (refer note 19)	172	-	-	172
	1,151	689	874	2,714

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 balance sheet is as follows:

Financial liabilities	31 March 2025	31 March 2024
Borrowing (including current maturities) (refer note 16)	23	271
Total	23	271

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 2025 would decrease / increase by Rs. 0.13 million (for the year ended 31 March 2024: decrease / increase by 0.22 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.

Particulars	31 March 2025	31 March 2024
Borrowings (including current maturities) (refer note 16)	23	271
Less:		
Cash and cash equivalents (refer note 11)	477	71
Bank balances other than cash and cash equivalents (refer note 12)	924	455
Net debt	(1,378)	(255)
Total equity	4,755	2,581
Capital gearing ratio	(0.29)	(0.10)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(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 balance sheet.

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 2025			
		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	240	-	240	240
(b) Cash and cash equivalents (refer note 11)	3	477	-	477	477
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	924	-	924	924
(d) Other financial assets (refer note 6)	3	1,049	-	1,049	1,049
Total		2,691	-	2,691	2,691
Financial liabilities					
(a) Borrowings (refer note 16)	3	23	-	23	23
(b) Trade payables (refer note 18)	3	344	-	344	344
(c) Lease liability (refer note 34)	3	1,868	-	1,868	1,868
(d) Asset retirement obligation (refer note 4(f))	3	53	-	53	53
(e) Other financial liabilities (refer note 19)	3	65	-	65	65
Total		2,354	-	2,354	2,354

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

33 Financial instruments (Contd..)

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

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":

The Group has lease contracts for factories, showrooms, warehouses and office premises.

(a) Following are the changes in the carrying value of right of use assets :

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	1,557	1,245
Additions	360	637
Deletions/ Adjustments	(17)	(63)
Depreciation	(297)	(262)
Closing Balance	1,603	1,557

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 2025		As at 31 March 2024	
	Current	Non-Current	Current	Non-Current
Lease liabilities	235	1,633	218	1,554

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

34 Leases (Contd..)

(c) The following is the movement in the lease liabilities for the year ended 31 March 2025, 31 March 2024:

Particulars	Lease Liabilities
Balance as at 1 April 2023	1,419
Additions/modifications	602
Deletions	(83)
Finance cost	163
Lease rentals paid	(329)
Balance as at 31 March 2024	1,772
Additions/modifications	339
Deletions	(18)
Finance cost	163
Lease rentals paid	(388)
Balance as at 31 March 2025	1,868

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2025, 31 March 2024 on an undiscounted basis.

Particulars	As at 31 March 2025	As at 31 March 2024
Undiscounted future cash flows		
- Not later than 1 year	391	398
- Later than 1 year and not later than 5 years	1,693	1,554
- Later than 5 years	449	686

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 2025	As at 31 March 2024
Interest on Lease liabilities	163	163
Amortisation of right of use assets	297	262
Expense related to short-term Leases (refer note 30)	17	24

(f) Amount recognised in Consolidated Statement of Cash Flows

Particulars	As at 31 March 2025	As at 31 March 2024
Cash outflow		
- Principal amount	225	166
- Interest amount	163	163

(g) Sub-lease Income:

The Group 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 1 million (31 March 2024: Rs 0 million).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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 2025	31 March 2024
Employer's Contribution to Provident Fund and Family Pension Fund	24	22
Employer's Contribution to Employees' State Insurance Scheme	2	2
	26	24

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 Balance sheet for the respective plans.

Particulars	31 March 2025	31 March 2024
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	47	34
Interest cost	4	2
Current service cost	10	11
Benefits paid directly from employer	(1)	(2)
Benefits paid from the fund	(1)	-
Actuarial (gains)/losses on obligations	-	-
Due to change in demographic	-	-
Due to change in financial assumptions	2	1
Due to experience	(3)	1
Closing defined benefit obligation	58	47
ii) Changes in fair value of plan assets during the year/ period:		
Opening fair value of planned assets	38	12
Interest income	3	-
Contributions by employer	-	26
Benefits paid	(1)	-
Return on plan assets, excluding interest income	0	-
Closing fair value of plan assets	40	38
iii) Net (asset)/liability recognized in the Consolidated Balance sheet:		
Present value of benefit obligation at the end of the year/ period	(58)	(47)
Fair value of plan assets at the end of the year/ period	40	38
Net (asset)/liability recognized in the Consolidated Balance sheet	(18)	(9)
Gratuity fund balance (refer note 8)	-	(1)
Net liabilities – current (refer note 17)	6	1
Net liabilities – non current (refer note 17)	12	9
iv) Expenses recognized in the Consolidated Statement of Profit and Loss Account for the year:		
Current service Cost	10	11
Net interest Cost	1	2
Past service cost	-	-
Expenses recognized in the Consolidated Statement of Profit and Loss Account	11	13

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

35 Employee benefits (Contd..)

Particulars	31 March 2025	31 March 2024
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	2	1
Due to experience	(3)	1
Return on plan assets, excluding interest income	0	-
Net (income)/expense for the year/ period recognized in Other Comprehensive income	(1)	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	7	5
2nd following year	4	3
3rd following year	6	3
4th following year	6	5
5th following year	6	5
Sum of years 6 to 10	24	22
Sum of years 11 and above	52	44
viii) Consolidated Balance sheet:		
Opening net liability	9	22
Expenses recognized in Consolidated Profit and Loss account	11	13
Expenses recognized in Other Comprehensive Income	(1)	2
Benefit paid directly by the employer	(1)	(2)
Employer's contribution	-	(26)
Net liability/(asset) recognized in the Consolidated Balance sheet	18	9
ix) Category of assets:		
Insurance fund	40	36

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 summaries 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 2025	31 March 2024
Defined Benefit Obligation on Current Assumptions	58	45
Delta Effect of +1% Change in Rate of Discounting	(3)	1
Delta Effect of -1% Change in Rate of Discounting	4	7
Delta Effect of +1% Change in Rate of Salary Increase	3	7
Delta Effect of -1% Change in Rate of Salary Increase	(3)	1
Delta Effect of +1% Change in Rate of Employee Turnover	(1)	4
Delta Effect of -1% Change in Rate of Employee Turnover	1	5

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 year) has been applied as and when calculating the defined benefit liability recognised in the Consolidated Balance sheet.

The weighted average duration of the defined benefit obligation as at 31 March 2025 is 8 years (As at 31 March 2024 is 8 years)

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35 Employee benefits (Contd..)

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	As at 31 March 2025	As at 31 March 2024
Compensated absences		
- Current (refer note 17)	14	10
- Non-current (refer note 17)	-	-
	14	10

36 Additional information pursuant to schedule III of the Companies Act 2013

Name of the entity	31 March 2025							
	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	86%	4,066	66%	193	-23%	(0)	64%	189
Subsidiaries								
Stanley Retail Limited	24%	1,122	24%	69	121%	1	24%	70
Stanley OEM Sofas Limited	3%	158	20%	58	-84%	(1)	19%	57
ABS Seating Private Limited	3%	148	6%	19	-18%	(0)	6%	19
Step Down Subsidiaries								
Shrasta Décor Private Limited	4%	168	-4%	(13)	131%	1	-4%	(12)
Sana Lifestyles Limited	2%	83	-3%	(10)	-8%	(0)	-3%	(10)
Staras Seating Private Limited	5%	258	3%	8	-18%	(0)	3%	8
Scheek Home Interiors Limited	0%	(21)	0%	(0)	0%	-	0%	(0)
Subtotal	127%	5,984	112%	324	101%	1	109%	321
Adjustment arising out of consolidation	-29%	(1,340)	-12%	(32)	-12%	-	-9%	(29)
Non controlling interest	2%	112	0%	1	11%	0	0%	1
Total	100%	4,755	100%	292	100%		100%	293

Notes to the Consolidated Financial Statements

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Additional information pursuant to schedule III of the Companies Act 2013 (Contd..)

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

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
Significant influence over the entity	Oman India Joint Investment Fund (upto 5 July 2024) Mr. Sunil Suresh - Managing Director Ms. Shubha Sunil- Whole Time Director Mr. Pradeep Kumar Mishra - Group Chief Financial Officer
Key Management Personnel (KMP)	Mr. Akash Shetty - Group Company Secretary 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) Mrs. Anusha Shetty - Independent Director (w.e.f. 22 August 2023) Mr. Ramanujam Venkat Raghavan - Independent Director (w.e.f. 22 August 2023)
Other Directors	Mr. Srinath Srinivasan - Director (up to 31 August 2023) Mr. Sagarvasude Venkatesh Kamath - Director (up to 22 August 2023) Mr. Vishal Verma - Director (upto 19 July 2024)

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37 Details of related parties: (Contd..)

Description of relationship	Names of related parties
	Mr. Girish Nadkarni-Independent Director
	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)
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)
Entities in which KMP / Relatives of KMP can	Mr. Dhanish Manghnani - Relative of KMP (Son of Mr. Rajesh Manghnani)
exercise significant influence	Design Eight Private Limited
	SASS Kitchens
	Stanley Estate & Leisure
	Seating World
	ARI Music Private Limited
	Aldous

37.1 Particular of transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March 2025	For the year ended 31 March 2024
Stanley Estates and Leisure	Entities in which KMP/ relatives of KMP can exercise significant influence		
Sales		4	3
Rental income		1	0
Purchases		0	0
Seating World	Entities in which KMP/ relatives of KMP can exercise significant influence		
Sales		1	3
Purchases		0	29
Reimbursement of expenses		-	1
Design Eight Private Limited	Entities in which KMP/ relatives of KMP can exercise significant influence		
Purchases		1	57
Sales		84	4
Cross Charge Income		8	-
Reimbursement of expenses		-	0
Sunil Suresh	Key Managerial Personnel		
Salary / Perquisites		19	19
Royalty		-	4
Issue of Bonus Shares		-	10
Sales		4	2
Trademark/ Copyright		-	375
Shubha Sunil	Key Managerial Personnel		
Salary / Perquisites		19	21
Sales		0	1
Issue of Bonus Shares		-	10

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37 Details of related parties: (Contd..)

Particulars	Relationship	For the year ended 31 March 2025	For the year ended 31 March 2024
Sonakshi Sunil	Other Director		
Salary / Perquisites		-	1
Director sitting fees		0	-
Travelling Exp		-	0
Yusuf Merchant Abdullah	Other Director		
Salary / Perquisites		6	7
Rajesh Manghnani	Other Director		
Salary / Perquisites		2	2
Loan conversion		-	23
Loan repayment		-	0
Interest Paid		-	1
Sharmila Manghnani	Other Director		
Salary / Perquisites		0	2
Loan conversion		-	24
Interest Paid		-	1
Rent		-	3
Haneet Singh Chawla	Other Director		
Salary / Perquisites		5	4
Sale of Goods		-	0
Rupinder Chawla	Relative of Key Managerial Personnel		
Salary / Perquisites		2	2
Aldous	Entities in which KMP/ relatives of KMP can exercise significant influence		
Purchases		5	0
Oman India Joint Investment Fund II	Significant influence over the entity		
Issue of Bonus shares		-	8
Pradeep Kumar Mishra	Key Managerial Personnel		
Salary / Perquisites		21	10
Variable pay		-	4
Dhanish Manghnani	Relative of Key Managerial Personnel		
Salary / Perquisites		-	2
Muniramaiah Chennampalli	Key Managerial Personnel		
Salary / Perquisites		-	2
Sales		-	0
Akash Shetty	Key Managerial Personnel		
Salary / Perquisites		2	1
Mr. Srinath Srinivasan	Other Director		
Director sitting fees		-	0
Mr. Sagarvasude Venkatesh Kamath	Other Director		
Director sitting fees		-	0
Mr. Vishal Verma	Other Director		
Director sitting fees		0	1
Mr. Girish Nadkarni-Independent Director	Other Director		
Director sitting fees		1	1
Sales		-	1
Mrs. Anusha Shetty	Other Director		
Director sitting fees		1	0
Mr. Ramanujam Venkat Raghavan	Other Director		
Director sitting fees		1	1
Mr. Sri Krishna	Key Managerial Personnel		
Salary/ Perquisites		7	1

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(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

37.2 Balances outstanding as at year

Particulars	Relationship	As at 31 March 2025	As at 31 March 2024
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		0	2
Seating World	Entities in which KMP/ relatives of KMP can exercise significant influence		
Trade payables		-	6
Trade receivables		0	-
Design Eight Private Limited	Entities in which KMP/ relatives of KMP can exercise significant influence		
Trade payables		-	10
Trade Receivables		67	0
Sunil Suresh	Key Managerial Personnel		
Trade payables		-	0
Capital Creditors		-	168
Salary payable		1	1
Shubha Sunil	Key Managerial Personnel		
Trade payables		0	1
Trade receivables		-	0
Salary payable		1	-
Sonakshi Sunil	Other Director		
Salary payable		0	0
Rajesh Manghnani	Other Director		
Salary payable		0	0
Akash Shetty	Key Managerial Personnel		
Trade payables		-	0
Sharmila Manghnani	Other Director		
Deposit amount paid recoverable		1	2
Trade payables		-	0
Yusuf Merchant Abdullah	Other Director		
Salary payable		0	0
Haneet Singh Chawla	Other Director		
Salary payable		0	0
Pradeep Kumar Mishra	Key Managerial Personnel		
Advance against Salary		0	-
Trade payables		-	0
Rupinder Chawla	Relative of Key Managerial Personnel		
Salary payable		0	0
Stanley Retail Limited	Subsidiary		
Corporate guarantee		200	201
Stanley OEM Sofas Limited	Subsidiary		
Corporate guarantee		70	170

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

37 Details of related parties: (Contd..)

Particulars	Relationship	As at 31 March 2025	As at 31 March 2024
Mr. Sri Krishna	Key Managerial Personnel		
Salary payable		0	1
Mr. Ramanujam Venkat Raghavan	Other Director		
Trade payables		-	0
Mr. Girish Nadkarni	Other Director		
Trade payables		-	0
Mr. Dhanish Manghnani	Relative of Key Managerial Personnel		
Trade payables		-	0
Mr. Vishal Verma	Other Director		
Trade payables		-	0

38 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/ deduction, expense claimed & adjustments) (refer note 2 below)	2	6
(b) Atria mall case (refer note 1 below)	26	26
(c) L'Oreal case (Refer note 3 below)	20	-
(d) Others (relating to consumer complaints and other matters)	5	6
(e) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	0	2
(f) Customs (relating to EPCG license)	8	8
(g) Capital Account contract with Interiocrraft Private Limited (refer note 4 below)	3	3
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	34	64

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.
- 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 million under dispute. In the financial ended 31 March 2022, the Group has filed an appeal.
- L'Oreal filed a suit against the Company for Trademark Infringement and Passing off of their slogan "Because I'm worth It". The Company had filed a Rectification Petition against L'Oreal's Trademark Registration for the mark "L'Oreal Because I'm Worth It". The matter is posted for arguing the Injunction Application on 18 July 2025. 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.
- 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

39 Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *

Particulars	As at 31 March 2025	As at 31 March 2024
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	28	34
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;	0	-
d The amount of interest accrued and remaining unpaid at the end of each accounting period; and	4	4
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.	-	-

* 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.

40 Foreign currency risk exposure as at Consolidated Statement Balance sheet:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Amount in Millions	Amount in foreign currency in Millions	Amount in Millions	Amount in foreign currency in Millions
Trade payables				
USD	(14.05)	(0.16)	(43.16)	(1.47)
EURO	(25.43)	(0.28)	(43.16)	(0.47)
EURO	(0.15)	(0.26)	(-)	(-)
GBP	(0.04)	(0.00)	(-)	(-)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	As at 31 March 2025	As at 31 March 2024
Payables- Foreign currency /Rs.		
Increase in Rs.	(0.40)	(0.53)
Decrease in Rs.	0.40	0.53

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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:

Particulars	As at 31 March 2025	As at 31 March 2024
Profit attributable to owners of the Parent	291	301
Net profit for calculation of basic and diluted EPS	291	301
	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS		
- No of equity share as at 31 March	5,57,15,151	5,15,97,168
Basic earning per share (in Rs.)**	5.22	5.83
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share- refer note 14.6)	5,57,15,151	5,15,97,168
Weighted average share under Employee Stock Options (refer note 46)	2,79,412	4,36,017
Weighted average share at average market price	(85,991)	(1,79,899)
Dilutive earning per share (in Rs.)**	5.20	5.80

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 2025, 31 March 2024 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	As at 31 March 2025	As at 31 March 2024
Balance as at the beginning of the year	14	12
Add: Charge for the year (refer note 30)	7	6
Less: Utilised during the year	7	4
Balance as at the year end	14	14
Current portion (refer note 17)	14	14
Non-current portion (refer note 17)	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

44 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 490 million (As at 31 March 2024 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. 250 million (31 March 2024: Rs. 405 million).

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-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	-	
			Advance to suppliers	42	42	(0)	
			Advance from customers	104	104	(0)	
	HDFC Bank (SOSL)		Trade receivables	53	53	-	Monthly closure entries
			Trade payables	42	42	0	
			Inventory	70	68	2	
			Advance to suppliers	12	12	-	
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	-	Monthly closure entries
			Advance from customers	102	102	-	
Dec-23	SBI Bank (SLL)	1,091	Trade receivables	710	712	(2)	Monthly closure entries
			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)	
			Advance from customers	122	122	-	
	HDFC Bank (SOSL)		Trade receivables	68	68	-	Monthly closure entries
			Trade payables	45	45	-	
			Inventory	62	58	4	
			Advance to suppliers	10	10	-	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(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
Mar-24	SBI Bank (SLL)	1,091	Trade receivables	643	645	(2)	Monthly closure entries
			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)	
			Advance from customers	146	138	8	
	HDFC Bank (SOSL)		Trade receivables	67	67	0	Monthly closure entries
			Trade payables	31	31	0	
			Inventory	73	73	(0)	
			Advance to suppliers	2	2	0	

Notes:

1. Inventory excludes provision & Goods in Transit
2. Trade payables excludes provisions & other creditors

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 2025	31 March 2024
Kaymo Fastener company	Purchases	Vendor	-	1

Name of the Struck off Companies	Nature of transactions	Relationship with Struck off Company	31 March 2025	31 March 2024
RNS Motors Pvt Ltd	Advance to suppliers	Vendor	-	0
Kaymo Fastener Company	Trade payable	Vendor	-	0

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

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 Parent 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	Bucket D
Date of Grant	16 November 2022	16 November 2022	04 January 2024	12 February 2025
No. of options granted	36,662	4,565	1,80,836	3,374
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	3,374
Method of Settlement	Equity	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%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 30% and 30% subject to Company's and Individual's performance. However, 482 options to be vested in a years time subject to Company's and Individual's performance
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	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	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 & Rs 121	Rs. 121 & Rs, 156
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares**	Rs 901	Rs 1,403	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares**	Rs 129	Rs 200	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

46 Employee Stock Options (Contd..)

Particulars	Bucket A			Bucket B			Bucket C			Bucket D		
	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*	31 March 2025	Weighted average	31 March 2024*
Opening balance	2,23,153	850	36,662	32,028	10	4,565	1,80,836		-	-		-
Granted during the year	-	-	-	-	-	-	-	135	1,80,836	3,374	156	-
Increase consequent to split of equity shares and issue of bonus shares (refer note 14.6)**	-	121	2,19,972	-	2	27,463	-			-		-
Forfeited during the year	(15,288)	121	(33,481)	(3,289)	2	-	(50,984)	135	-	(482)	156	-
Exercised during the year***	(79,379)	121	-	(10,557)	2	-	-	-	-	-	-	-
Outstanding at the end of the year*	1,28,486	121	2,23,153	18,182	2	32,028	1,29,852	135	1,80,836	2,892	156	-

*** Total 1924 options [1,496 options of Bucket A, 428 options of Bucket B] has been vested but not yet exercised as on 31st March 2025.

** 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. 99.15 (as at 31 March 2024: Rs.Nil).

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 2025				As at 31 March 2024		
	Bucket A	Bucket B	Bucket C	Bucket C	Bucket A	Bucket B	Bucket C
Exercise price of options granted	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	Rs 121	Rs 2	Rs 156.00
Risk free rate of return	7.32%	7.32%	7.25%	7%	7.32%	7.32%	7.25%
Life of the options granted (vesting and exercise period) in years	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Volatility	16.06%	16.06%	50.00%	50%	16.06%	16.06%	50.00%

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 2025	31 March 2024
Expense arising from equity-settled share-based payment transactions	14	17

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(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 by one subsidiary on daily basis of such books of account maintained in electronic mode, in a server physically located in India.
- B) In respect of 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, 2025, 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 one subsidiary company, 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 subsidiary has received an amount of Rs 0.40 million.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

- 51** The Parent Company has received an amount of Rs. 1,811 million (net off estimated IPO expense of Rs 189 million) from proceeds out of fresh issue of equity shares. The utilization of the net IPO proceeds is summarized as below:

Particulars	Amount to be utilized as per prospectus	Utilization up to 31 March 2025	Un-utilized amount as on 31 March 2025
1. Investment in certain subsidiaries, having retail operations for:	1,402	174	1,228
a. opening of new stores by such subsidiaries			
b. opening the anchor stores by such subsidiaries			
c. renovation of the existing stores by such subsidiaries			
2. Funding the capital expenditure requirements for purchase of new machinery and equipment by the Company and its material subsidiary, Stanley OEM Sofas Limited.	67	67	-
3. General corporate purposes	343	320	22
Total	1,811	561	1,250

- 52** (i) Proceeds from issue of shares includes recoveries towards the share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 223 million in the current year.
- (ii) Share issue expenses on account of IPO includes payments towards share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 164 million (31 March 2024: Rs 59 million).

53 Events occurred after Consolidated Balance sheet date

There is no transactions that occurred after 31 March 2025 up through 26 May 2025, 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.

- 54** All amounts disclosed in consolidated financial statements and notes to the consolidated financial statements have been rounded off to the nearest million, unless otherwise stated. 0 represents amounts less than Rs. 1 million.

55 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.

- 56** The Consolidated Financial Information were authorized for issue in accordance with a resolution of the directors on 26 May 2025.

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 Kumar Mishra
 Chief Financial Officer

Akash Shetty
 Company Secretary &
 Compliance Officer
 FCS No. 11314

Place: Bengaluru
 Date: 26 May 2025

Note

Note

Note

STANLEY | 
Makers Of Beautiful

Stanley Lifestyles Limited

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Veerasandra village,
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