

INDEPENDENT AUDITOR'S REPORT

To The Members of Stanley OEM Sofas Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Stanley OEM Sofas Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant 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 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 Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 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 financial statements.

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 Directors' report, but does not include the financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- i. Identify and assess the risks of material misstatement of the 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.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- iv. 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 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.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 control 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, 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.
 - 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.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.



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- f. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.
- g. 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.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position.
 - II. The 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)



Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AAAAAM4274)

Place: Bengaluru
Date: 13 January 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Stanley OEM Sofas Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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**
Chartered Accountants
(Firm's Registration No.008072S)



Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AAAAAM4274)

Place: Bengaluru
Date: 13 January 2022

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)

- (i) In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The Company does not have any fixed assets and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a. According to information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues as applicable to it to the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c. There are no dues of Income-tax, Goods and Services Tax and Customs Duty as on March 31, 2021 on account of disputes.

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- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)



Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AAAAAM4274)

Place: Bengaluru
Date: 13 January 2022

STANLEY OEM SOFAS LIMITED

Balance Sheet as at 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Particulars	Note No	As at 31 March 2021	As at 31 March 2020
A Equity and Liabilities			
1 Shareholder's Funds			
a) Share capital	3	37,600,000	37,600,000
b) Reserves and surplus	4	(13,667,453)	(24,757,600)
		23,932,547	12,842,400
2 Non-current liabilities			
a) Long-term borrowings	5	101,975,892	100,550,891
b) Long-term provisions	6	316,459	80,939
c) Deferred tax Liability (Net)	24.12	2,811,398	2,525,315
		105,103,749	103,157,145
3 Current Liabilities			
a) Trade Payables	7		
(A) total outstanding dues of micro enterprises and small enterprises; and		5,204,601	5,704,681
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		90,840,754	54,615,015
b) Other Current Liabilities	8	1,377,591	3,024,473
c) Short Term Provisions	9	895,184	737,288
		98,318,130	64,081,457
Total		227,354,426	180,081,002
B Assets			
1 Non Current Assets			
a) Property Plant and Equipment - Tangible assets	10A	41,311,101	43,660,106
b) Long Term Loans and Advances	11	373,894	7,397,424
		41,684,995	51,057,530
2 Current assets			
a) Inventories	12	78,653,818	46,725,025
b) Trade Receivables	13	41,191,428	18,848,747
c) Cash and Cash Equivalents	14	16,357,695	30,851,107
d) Short Term Loans and Advances	15	48,808,687	32,240,223
e) Other Current Assets	16	657,803	358,370
		185,669,431	129,023,472
Total		227,354,426	180,081,002

See accompanying notes forming part of the financial statements

1-24

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No. 008072S

Monisha Parikh

Monisha Parikh

Partner

Membership No.47840

Place: Bangalore

Date: January 13, 2022



For and on behalf of the Board of Directors

Sunil Suresh *Shubha Sunil*

Sunil Suresh

Director

DIN 01421517

Shubha Sunil

Director

DIN 01363687

Place: Bangalore

Date: January 13, 2022

STANLEY OEM SOFAS LIMITED

Statement of Profit and Loss for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Particulars	Note No	For the Year ended 31 March 2021	For the Year ended 31 March 2020
1 Revenue from operations	17	270,386,559	266,622,357
2 Other income	18	7,337,500	1,975,693
Total Income		277,724,059	268,598,050
3 Expenses			
a) Cost of materials consumed	19	193,628,568	179,119,047
b) Changes in inventories of finished goods and work in progress	20	(5,586,275)	(382,288)
c) Employee benefits expense	21	20,881,093	31,942,103
d) Finance costs	22	5,758,910	8,493,217
e) Depreciation expenses	10B	4,855,038	4,603,076
f) Other expenses	23	46,810,495	38,895,153
Total Expenses		266,347,829	262,670,308
4 Profit before tax		11,376,230	5,927,742
5 Tax Expense			
a) Current tax expense		-	-
b) Deferred tax charge/(credit)	24.12	286,083	9,768,262
		286,083	9,768,262
6 Profit/ (Loss) for the year		11,090,147	(3,840,520)
Earnings/ (Loss) per share (EPS)			
a) Basic	24.11	2.95	(1.02)
b) Diluted		2.95	(1.02)

See accompanying notes forming part of the financial statements 1-24.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Monisha Parikh

Monisha Parikh
Partner
Membership No.47840



Place: Bangalore
Date: January 13, 2022

For and on behalf of the Board of Directors

Sunil Suresh
Sunil Suresh
Director
DIN 01421517

Shubha Sunil
Shubha Sunil
Director
DIN 01363687

Place: Bangalore
Date: January 13, 2022

STANLEY OEM SOFAS LIMITED

Cash flow statement for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
A. Cash Flow From Operating Activities		
Profit before Tax	11,376,230	5,927,742
Adjustments for:		
Interest Income	(638,222)	(514,076)
Depreciation expenses	4,855,038	4,603,076
Finance costs	5,758,910	8,493,217
Provision for doubtful trade receivables (written back)/ written-off	(619,031)	831,996
Operating profit/(loss) before working capital changes	20,732,925	19,341,955
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(31,928,793)	(19,565,080)
Short Term Loans and Advances	(16,714,214)	5,085,068
Other Current Assets	(299,433)	(358,370)
Trade Receivables	(21,723,650)	8,324,879
Adjustments for increase/(decrease) in operating liabilities:		
Other Current Liabilities	(1,646,882)	(7,003,521)
Trade Payables	35,725,659	42,372,490
Long Term Provisions	235,520	(405,165)
Short Term Provisions	157,896	578,881
Cash generated from operations	(8,437,442)	48,371,137
Net income tax paid	145,750	228,144
Net cash flow from / (used in) used in operating activities (A)	(8,291,692)	48,599,281
B. Cash Flow From Investing Activities		
Purchase of Property Plant and Equipment	(2,506,033)	-
Interest Income	638,222	514,076
Net cash flow used in investing activities - (B)	(1,867,811)	514,076
C. Cash Flow From Financing Activities		
Proceeds/(Repayment) from/of Long Term Borrowings	1,425,001	(17,510,048)
Financial Charges	(5,758,910)	(8,493,217)
Net cash flow from/(used in) financing activities -(C)	(4,333,909)	(26,003,265)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(14,493,412)	23,110,092
Cash and cash equivalents at the beginning of the year	30,851,107	7,741,015
Cash and cash equivalents at the end of the year	16,357,695	30,851,107

See accompanying notes forming part of the financial statements

1-24

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No. 008072S



Monisha Parikh

Partner

Membership No.47840

Place: Bangalore

Date: January 13, 2022



For and on behalf of the Board of Directors



Sunil Suresh

Director

DIN 01421517

Place: Bangalore

Date: January 13, 2022



Shubha Sunil

Director

DIN 01363687

STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Note No	Particulars	As at 31 March 2021	As at 31 March 2020
3	Share Capital		
	Authorised Capital		
	40,00,000 Equity Shares of Rs 10/- each	40,000,000	40,000,000
	Issued, subscribed and fully paid		
	37,60,000 Equity Shares of Rs 10/- each	37,600,000	37,600,000
	Total	37,600,000	37,600,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021	As at 31 March 2020
Shares outstanding at the beginning of the year	3,760,000	3,760,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	3,760,000	3,760,000

(b) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of Shares	% Holding	No of Shares	% Holding
Stanley Lifestyles Limited, holding company	3,760,000	100%	3,760,000	100%
Total	3,760,000	100%	3,760,000	100%

(c) Terms/ rights attached to equity shares

The Company has only one class of equity share having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. In the 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.

(d) 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.



STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Note No	Particulars	As at 31 March 2021	As at 31 March 2020
4	Reserves and Surplus		
	Balance in Statement of Profit and Loss		
	Opening balance	(24,757,600)	(20,917,080)
	Add: Profit/ (Loss) for the year	11,090,147	(3,840,520)
	Closing balance	(13,667,453)	(24,757,600)
5	Long-term Borrowings		
	<i>(Unsecured)</i>		
	Loans and advances from related parties		
	Loan from Stanley Lifestyles Limited	101,975,892	100,550,891
	All intercompany loans are governed by agreements and the borrower is liable to pay interest at current rate		
	Total	101,975,892	100,550,891
6	Long-term provisions		
	Provision for leave encashment (Refer note 24.7)	316,459	80,939
	Total	316,459	80,939
7	Trade Payables		
	-Dues of micro enterprises and small enterprises (Refer note 24.2)	5,204,601	5,704,681
	-Dues of creditors other than micro enterprises and small enterprises	90,840,754	54,615,015
	Total	96,045,355	60,319,696
8	Other Current Liabilities		
	Interest accrued but not due on borrowings	545,705	545,705
	Other Payables		
	Statutory dues	645,385	671,086
	Advances from customers		
	- Related Party	13,760	774,273
	- Others	172,741	1,033,409
	Total	1,377,591	3,024,473
9	Short Term Provisions		
	Provision for employee benefits		
	Provision for leave encashment (Refer note 24.7)	25,488	6,732
	Provision for gratuity (Refer note 24.7)	869,696	730,556
	Total	895,184	737,288



STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Note No	Particulars	As at 31 March 2021	As at 31 March 2020
11	Long Term Loans and Advances (Unsecured, considered good)		
	Advance Tax	373,894	228,144
	Security deposits	-	7,169,280
	Total	373,894	7,397,424
12	Inventories (lower of cost and net realizable value)		
	Raw Materials (including goods in transit of Rs.11,488,578/- (Previous year: Rs. 14,951,771/-))	64,785,767	38,443,249
	Work In Progress	8,555,369	1,957,940
	Finished Goods	5,312,682	6,323,836
	Total	78,653,818	46,725,025
13	Trade Receivables Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	-Unsecured, considered good	233,163	1,007,077
	Other Trade receivables		
	-Unsecured, considered good	40,958,265	17,841,670
	-Unsecured, considered doubtful	212,965	831,996
	Less:- Provision for doubtful trade receivables	(212,965)	(831,996)
		40,958,265	17,841,670
	Total	41,191,428	18,848,747
14	Cash and Cash Equivalents		
	Cash on hand	48,176	16,911
	Balances with Banks:		
	-in current accounts	10,791,154	15,732,231
	- in deposit accounts (original maturity of less than 3 months)	5,518,365	15,101,965
	Total	16,357,695	30,851,107
15	Short Term Loans and Advances (Unsecured, considered good)		
	Security deposits	7,169,280	-
	Balances with government authorities	22,231,294	12,509,421
	Advance to Suppliers	19,322,779	19,639,802
	Advance to employees	85,334	91,000
	Total	48,808,687	32,240,223
16	Other Current Assets		
	Interest accrued on fixed deposits	657,803	358,370
	Total	657,803	358,370



STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Note No.	Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
17	Revenue from operation		
	Sale of products		
	-Manufactured goods	265,181,596	264,270,564
	Other operating revenue	5,204,963	2,351,793
	Total	270,386,559	266,622,357
	Note: The Company operates in one category, namely manufacture and trading of automotive seating covers, furniture, fixtures and accessories.		
18	Other Income		
	Interest Income	638,222	514,076
	Shifting Charges Recovered from Mulberry Silks Ltd	5,000,000	-
	Provision for doubtful trade receivables written back	619,031	-
	Net Gain on foreign currency transactions and translation	1,059,785	1,394,171
	Other non-operating Income	20,462	67,446
	Total	7,337,500	1,975,693
19	Cost of materials consumed		
	Opening Stock of Manufacturing Goods	38,443,249	19,260,457
	Purchases		
	Import Purchase	70,731,177	75,259,758
	Local Purchase	130,636,240	111,466,505
	Clearing and forwarding Charges	10,025,529	5,642,191
	Customs Duty	8,578,140	5,933,385
	Less: Closing Stock	(64,785,767)	(38,443,249)
	Raw Material Consumed	193,628,568	179,119,047
20	Changes in inventories of finished goods and work in progress		
	a) Work In Progress		
	Opening Stock	1,957,940	3,998,789
	Closing Stock	8,555,369	1,957,940
	Work In Progress	(6,597,429)	2,040,849
	b) Finished Goods		
	Opening Stock	6,323,836	3,900,699
	Closing Stock	5,312,682	6,323,836
	Finished Goods	1,011,154	(2,423,137)
	Total Increase In Stock (a+b)	(5,586,275)	(382,288)
21	Employee Benefits Expense		
	Salaries and Wages	17,572,776	28,312,529
	Gratuity (refer note 24.7)	139,140	651,035
	Contribution to Provident Fund and others	1,830,271	2,763,704
	Staff welfare expenses	1,338,906	214,835
	Total	20,881,093	31,942,103



STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note No.	Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
22	Finance costs		
	Interest on borrowings	5,758,910	8,493,217
	Total	5,758,910	8,493,217
23	Other Expenses		
	Rent including lease rentals (refer note 24.10)	10,680,642	10,525,401
	Clearing & Forwarding charges	1,091,664	3,045,843
	Power & Fuel	3,112,222	2,944,142
	Travelling and conveyance	103,076	347,260
	Security Charges	2,056,602	2,275,940
	Repairs and maintenance		
	-Leasehold facilities	107,023	65,187
	-Plant and machinery	2,038,606	1,234,903
	-Others	893,678	457,150
	Professional, Legal & Consultancy Fees	388,143	1,413,494
	Rates and Taxes	194,473	438,066
	Job work charges	110,116	290,232
	Subcontracting Expenses	17,260,907	-
	Bank Charges	661,816	1,147,306
	Insurance expenses	285,547	192,695
	Payments to the auditors - as Auditors (net of taxes)		
	- For Statutory Audit	100,000	100,000
	Provision for doubtful trade receivables	-	831,996
	Printing & stationary	166,128	185,318
	Common Expenses	4,339,897	8,611,000
	Stores and spare parts	1,026,941	2,111,324
	Miscellaneous expenses	2,193,014	2,677,896
	Total	46,810,495	38,895,153



STANLEY OEM SOFAS LIMITED

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK			
	As on 01-Apr-20	Additions	Disposals	As on 31-Mar-21	As on 01-Apr-20	Depreciatio	Disposals	As on 31-Mar-21	As on 31-Mar-21	As on 31-Mar-20	As on 31-Mar-20	
	(Amount in Rs.)											
Tangible Asset												
Plant & Machinery	32,898,548	2,219,600	-	35,118,148	5,335,446	2,473,784	-	7,809,230	27,308,918	27,563,102		
Electrical Equipment	18,228,246	219,933	-	18,448,179	4,863,569	1,772,441	-	6,636,010	11,812,169	13,364,677		
Furniture & Fixtures	1,555,616	-	-	1,555,616	374,985	147,121	-	522,106	1,033,510	1,180,631		
Office Equipment	1,144,153	-	-	1,144,153	584,044	216,859	-	800,903	343,250	560,109		
Computers & Printers	888,470	66,500	-	954,970	758,539	131,680	-	890,219	64,751	129,931		
Leasehold improvement	1,071,527	-	-	1,071,527	209,871	113,153	-	323,024	748,503	861,656		
Total	55,786,560	2,506,033	-	58,292,593	12,126,454	4,855,038	-	16,981,492	41,311,101	43,660,106		

Property Plant & Equipment (Opening Balance)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK			
	As on 01-Apr-19	Additions	Disposals	As on 31-Mar-20	As on 01-Apr-19	Depreciatio	Disposals	As on 31-Mar-20	As on 31-Mar-20	As on 31-Mar-19		
	(Amount in Rs.)											
Tangible Asset												
Plant & Machinery	32,898,548	-	-	32,898,548	3,252,723	2,082,723	-	5,335,446	27,563,102	29,645,825		
Electrical Equipment	18,228,246	-	-	18,228,246	3,105,180	1,758,389	-	4,863,569	13,364,677	15,123,066		
Furniture & Fixtures	1,555,616	-	-	1,555,616	225,792	149,193	-	374,985	1,180,631	1,329,824		
Office Equipment	1,144,153	-	-	1,144,153	366,590	217,454	-	584,044	560,109	777,563		
Computers & Printers	888,470	-	-	888,470	476,685	281,854	-	758,539	129,931	411,785		
Leasehold improvement	1,071,527	-	-	1,071,527	96,408	113,463	-	209,871	861,656	975,119		
Total	55,786,560	-	-	55,786,560	7,523,378	4,603,076	-	12,126,454	43,660,106	48,263,182		

Note 10B: Depreciation expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on tangible assets as per note 10	4,855,038	4,603,076
	4,855,038	4,603,076



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

1. Company overview

Stanley OEM Sofas Limited ("the Company") 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 is primarily engaged in the business of manufacturing and trading of furniture and leather products.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis of accounting and comply with the accounting standards prescribed under Section 133 of Companies Act, 2013 ("the Act"). The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees (Rs.). The Company is a Small and Medium Sized Company as defined in the General Instructions in respect of Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

2.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of the financial statements. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.3 Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle to be 12 months for the purposes of classification of assets and liabilities as current and non-current as per the requirement of Schedule III of the Act.

2.4 Cash and cash equivalents

Cash comprises cash on hand, cheques on hand, demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Other bank balances comprises of balances other than cash equivalents which is expected to be realised within twelve months from the reporting date

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before 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 Company are segregated based on the available information.

2.6 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..



2. Significant accounting policies

2.7 Property, plant and equipment, intangible assets, depreciation and amortisation

(a) Property, plant and equipment

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

(c) Depreciation and amortisation.

Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower.

Depreciation is provided on the straight line method over the estimated useful life of fixed assets as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

2.8 Revenue recognition

Revenue from operations

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods:

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.

Interest:

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

2.9 Foreign currency transactions and translations

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date; the resultant exchange differences are recognised in the statement of profit and loss.

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.



2. Significant accounting policies

2.10 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Short-term employee benefits:

All employee benefits payable wholly within 12 months of rendering the service are classified as short-term employee benefits. These include short-term compensated absences. The undiscounted amount of short term employee benefits expected to be paid in exchange for service rendered by employees is recognised as an expense during the year. Benefits such as salaries and wages, etc. and the expected cost of the statutory bonus are recognised in the period in which the employee renders the related service.

Defined contribution schemes

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee's provident fund and employee's state insurance to Government administered provident fund scheme and state insurance scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by independent actuary at each balance sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. A part of the Company's gratuity scheme is funded with LIC of India. The amount funded with the LIC of India has been netted off against the total liability.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

2.11 Leases

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.

2.12 Earnings/ (Loss) per share

Basic earnings/ (loss) per share is computed by dividing the net profit/(loss) for the year attributable to the equity shareholders with the weighted average number of equity shares outstanding during the year.

Diluted earnings/ (loss) per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share from continuing ordinary operations.



2. Significant accounting policies

2.13 Taxes on income

Income-tax expense comprises of current tax and deferred tax charge on credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. If there is no virtual certainty of realisation of such assets the Deferred tax assets is created to the extent of Deferred tax liabilities. Deferred tax assets are reviewed as at each Balance Sheet date and written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.14 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (including goodwill) or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

2.15 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

2.16 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



Note 24 Additional information to the financial statements

24.1	Contingent liabilities and commitments (to the extent not provided for)			
	Particulars	As at 31 March, 2021	As at 31 March, 2020	
(i)	Contingent liabilities	-	-	
	Particulars	As at 31 March, 2021	As at 31 March, 2020	
(ii)	Commitments			
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	
24.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006			
	Particulars	As at 31 March, 2021	As at 31 March, 2020	
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	5,204,601	5,704,681	
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	
	(iv) The amount of interest due and payable for the year	-	-	
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			
24.3	Details on derivative instruments and unhedged foreign currency exposures			
	I. The following derivative positions are open as at 31 March, 2021. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.			
	(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and advance to creditors.			
	(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2021			
	Currency	Amount	Buy / Sell	
	USD	\$ -	Buy	
	USD	\$ -	NA	
	Cross currency Rupees Rupees			
	Note: Figures in brackets relate to the previous year			
	II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:			
	As at 31 March, 2021		As at 31 March, 2020	
	Advance to suppliers/ (Payable)	Advance to suppliers/ (Payable)	Advance to suppliers/ (Payable)	Advance to suppliers/ (Payable)
	in Rs.	in Foreign currency	in Rs.	in Foreign currency
	11,668,045	EURO 140,439.52	9,110,705	EURO 109,659
	5,998,987	USD 79,672.12	8,667,694	USD 114,922



Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

24.4 Value of imports calculated on CIF basis:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Raw materials and traded goods	89,334,846	86,835,334

24.5 Expenditure in foreign currency:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Testing Charges	471,923	105,861

24.6 Earnings in foreign exchange:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Export of goods calculated on FOB basis	133,908,357	184,656,737

24.6a Details of consumption of imported and indigenous items

	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Raw materials	(Rs.)	(Rs.)
Imported	86,642,219	86,223,862
Indigenous	106,986,349	92,391,658
Total	193,628,568	178,615,520
Raw materials	%	%
Imported	45%	48%
Indigenous	55%	52%
Total	100%	100%



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars
24.8	Segment information The Company operates in one business segment, business of manufacturing and trading of furniture and leather products. In line with Accounting Standard 17, as the relevant information is available from balance sheet and the statement of profit and loss itself, and the Company's operations are predominantly in the domestic market in India, no other disclosures are considered necessary.



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars	
24.9	Related party transactions	
24.9.a	Details of related parties:	
	Description of relationship	Names of related parties
	Holding Company	Stanley Lifestyles Limited
	Fellow Subsidiaries	Stanley Retail Limited ABS Seating Private Limited (from 1 January 2019)
	Entities under common control	Staras Seating Private Limited (From 26 June, 2019) ABS Seating Private Limited (from 1 January 2019) Sana Lifestyles Limited Scheek Home Interiors Limited Stanley Automotive Leather Trims Limited (upto 16 October 2020) Shrasta Décor Private Limited
	Key Management Personnel (KMP)	Mr. Sunil Suresh -Chief Executive Officer Ms. Shubha Sunil- Director Rajagopal S- Group CFO (Upto 31 March 2021)
	Entities in which KMP / Relatives of KMP can exercise significant influence	Staras Seatings Private Limited (upto 25 June, 2019) ABS Seating Private Limited (upto 31 December 2018) Saas Kitchens Stanley Estate & Leisure Seating World



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021

(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
24.9.b	Particular of Transactions with Related parties during the year			
	<u>Stanley Lifestyles Limited</u>	Holding Company		
	Sales		25,283,570	4,220,377
	Purchases		46,662,082	32,566,855
	Common expenses accrued		5,080,488	9,988,752
	Recovery of expenses		475,229	159,563
	Reimbursement of Expenses		3,318,715	2,736,222
	Long term borrowings		3,891,248	101,096,596
	Interest receivable		5,316,251	15,115,209
	Guarantees released		-	-
	<u>Stanley Retail Limited</u>	Fellow Subsidiaries		
	Sales		39,197,341	19,415,006
	Recovery of expenses		-	26,200
	<u>Sana Lifestyles Limited</u>	Entities under common control		
	Sales		-	1,729,422
	<u>Shrasta Décor Pvt Ltd</u>	Entities under common control		
	Sales		978,836	576,362
	<u>ABS Seating Pvt. Ltd.</u>	Fellow Subsidiaries		
	Sales		1,391,343	1,050,792
	<u>Staras Seating Pvt. Ltd.</u>	Fellow Subsidiaries		
	Sales		368,280	785,759
	Reimbursement of expenses		20,660	-
	<u>Key Managerial Personnel</u>			
	<u>Sunil Suresh</u>	Key Managerial Personnel		
	Amount received		-	354,361



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars	Account	As at 31 March 2021	As at 31 March 2020
24.9.c	Balances as at year end			
	ABS Seating Pvt. Ltd.	Advances	7,080	100,718
	Staras Seating Pvt. Ltd.	Trade receivables	-	104,595
	Stanley Lifestyles Limited	Trade Payables	29,279,322	14,459,381
	Stanley Lifestyles Limited	Loans Received	101,975,892	100,550,891
	Stanley Retail Limited	Trade receivables	-	1,545,116
	Sana Lifestyles Limited	Trade receivables	-	113,900



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
24.10	The Company has entered into operating lease arrangement for factory and office premises. The leases are cancellable and may be renewed based on mutual agreement of the parties.		
	Future minimum lease payments		
	not later than one year	-	-
	later than one year and not later than five years	-	-
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss (refer note 23)	10,680,642	10,525,401
24.11	Earnings/ (Loss) per share		
	<u>Basic and diluted</u>		
	Profit / (loss) for the year	11,605,293	(3,840,525)
	Profit / (loss) for the year attributable to the equity shareholders	11,605,293	(3,840,525)
	Weighted average number of equity shares	3,760,000	3,760,000
	Par value per share	10	10
	Earnings/ (Loss) per share - Basic and diluted	3.09	(1.02)
24.12	Deferred tax (liabilities) / assets (net)		
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(3,767,508)	(3,511,642)
	Tax effect of items constituting deferred tax liabilities	(3,767,508)	(3,511,642)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	956,110	986,327
	Tax effect of items constituting deferred tax assets	956,110	986,327
	Deferred tax (liabilities) / assets (net)	(2,811,398)	(2,525,315)



Stanley OEM Sofas Limited

Notes forming part of the financial statements for the year ended 31 March, 2021
(All amounts in Rupees unless otherwise stated)

Note 24 Additional information to the financial statements

Note	Particulars
24.13	The rapid outbreak of COVID-19 pandemic presents alarming and crisis and its impacts are unfolding real time. As a result of government mandates in response to the global pandemic of COVID - 19, the Company's offices, factory and showrooms were temporarily closed from 21 March 2020. The Company has undertaken various steps in order to manage the cash flow considering no sales were made during the mandate period. The results of these steps have helped the Company in sustaining during these unprecedented times. In Management's estimate, there has not been a significant change in the carrying value of receivables or property, plant and equipment, Inventory and other assets as a result of the pandemic or the temporary closures of operations. The Company has started operations from June, 2020. The impact of global health pandemic and any additional government mandate in response to the pandemic, the Company's financial position may change following the date of approval of these standalone financial statements. Management will continue to closely monitor any material changes to the Company's financial positions as a result of changes in future economic conditions, and government actions.
24.14	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to notes 1 to 24

For and on behalf of the Board of Directors


Sunil Suresh
Director
DIN : 01421517


Shubha Sunil
Director
DIN: 01363687

Place : Bangalore
Date: January 13, 2022

