Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Stanley Retail Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Stanley Retail 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 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 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 standalone 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 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do 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.

- 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 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 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 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.

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- 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 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, 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 standalone 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 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.

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

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840ACTUTX1949)

Place: Bengaluru
Date: February 15, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) 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 Retail Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 standalone 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 standalone 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 standalone 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 31 March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840ACTUTX1949)

Place: Bengaluru
Date: February 15, 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 immovable properties of freehold or leasehold land and building 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Hence, reporting under clause (v) of the Order is not applicable.

(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) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, 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, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loan from financial institutions and government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year 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 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. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of clause 3(xiii) of the Order is not applicable to the Company.

(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 the 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 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 LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Monisha Parikh
(Partner)
(Membership No. 47840)

UDIN: 22047840ACTUTX1949
Place: Bengaluru
Date: February 15, 2022

STANLEY RETAIL LIMITED
(CIN:U52599KA2008PLC046573)

Standalone 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 Shareholders' funds			
(a) Share capital	3	4,12,56,160	4,12,56,160
(b) Reserves and surplus	4	8,98,86,078	7,20,23,521
		13,11,42,238	**11,32,79,681**
2 Non-Current Liabilities			
(a) Long-term borrowings	5	13,10,74,793	16,20,32,253
(b) Long-term provisions	6	60,57,212	3,88,034
		13,71,32,005	**16,24,20,287**
3 Current Liabilities			
(a) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		26,73,30,854	16,27,87,088
(b) Other current liabilities	8	12,46,26,751	8,89,14,960
(c) Short-term provisions	9	3,53,088	23,05,863
		39,23,10,693	**25,40,07,911**
Total		**66,05,84,936**	**52,97,07,879**
B ASSETS			
1 Non-current assets			
(a) Property, plant & equipment			
Tangible assets	10A	14,90,51,861	11,39,02,634
Intangible assets	10B	14,49,337	18,14,758
(c) Non-current investments	11	11,78,06,255	11,78,06,255
(d) Deferred tax assets (net)	26.11	66,45,689	31,58,777
(e) Long-term loans and advances	12	6,85,45,303	7,57,42,197
		34,34,98,445	**31,24,24,621**
2 Current assets			
(a) Inventories	13	24,08,53,670	15,99,73,608
(b) Trade receivables	14	3,10,47,239	3,24,39,149
(c) Cash and cash equivalents	15	2,17,05,564	1,88,07,125
(d) Short-term loans and advances	16	2,34,80,018	60,63,376
(e) Other current assets	17	-	-
		31,70,86,491	**21,72,83,258**
Total		**66,05,84,936**	**52,97,07,879**
See accompanying notes forming part of the standalone financial statements	1-26		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Monisha Parikh
Partner
Membership No.47840

Place: Bangalore
Date: 15 February, 2022

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

For and on behalf of the Board of Directors

Sunil Suresh
Director
DIN : 01421517

Shubha Sunil
Director
DIN: 01363687

Place: Bangalore
Date: 15 February, 2022

STANLEY RETAIL LIMITED
(CIN:U52599KA2008PLC046573)

Standalone Statement of Profit and Loss for the year ended 31 Marc
(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	18	81,00,56,109	67,56,98,929
2 Other income	19	5,34,306	6,22,188
Total Income		**81,05,90,415**	**67,63,21,117**
3 Expenses			
(a) Purchases of stock -in- trade	20	59,83,72,745	52,17,11,787
(b) Changes in inventories of stock-in-trade	21	(8,08,80,062)	(4,78,02,876)
(c) Employee benefits expense	22	6,47,01,427	7,76,12,333
(d) Finance costs	23	94,83,096	89,75,693
(e) Depreciation and amortisation expense	24	1,76,13,257	1,11,79,863
(f) Other expenses	25	17,56,78,688	10,00,02,869
Total expenses		**78,49,69,151**	**67,16,79,669**
4 Profit before tax		**2,56,21,264**	**46,41,448**
5 Tax expense:			
(a) Current tax		1,05,52,372	18,82,102
(b) Tax relating to earlier years		6,93,247	-
(c) Deferred tax charge/(credit)	26.11	(34,86,912)	(75,735)
6 Profit for the year		**1,78,62,557**	**28,35,081**
Earnings Per Share (EPS) :			
Basic and Diluted (Nominal value of Rs. 10 per share)	26.10	4.33	0.69
See accompanying notes forming part of the standalone financial statements	1-26		

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Monisha Parikh
Partner
Membership No.47840

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

Place: Bangalore
Date: 15 February, 2022

For and on behalf of the Board of Directors

Sunil Suresh
Director
DIN : 01421517

Shubha Sunil
Director
DIN: 01363687

Place: Bangalore
Date: 15 February, 2022

STANLEY RETAIL LIMITED
(CIN:U52599KA2008PLC046573)

Standalone 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
Cash flow from operating activities		
Profit before tax	2,56,21,264	46,41,448
Adjustments:		
Depreciation and amortisation expense	1,76,13,257	1,11,79,863
Interest income	-	(30,424)
Profit from sale of business	-	(1,09,216)
Loss on disposal of property, plant & equipment (net)	36,23,210	35,556
Finance costs	94,83,096	89,75,693
Provision for doubtful debts and Bad debts written off	6,80,845	12,71,878
Operating profit before working capital changes	**5,70,21,672**	**2,59,64,798**
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(8,08,80,062)	(4,78,02,876)
Trade receivables	7,11,065	(1,89,82,211)
Short-term loans and advances	(1,74,16,642)	(28,23,655)
Long-term loans and advances	30,62,697	(1,67,25,712)
Other current assets	-	8,72,264
Adjustments for increase / (decrease) in operating liabilities:		
Short term provisions	(19,52,775)	21,82,597
Long term provisions	56,69,178	(13,41,008)
Trade payables	10,45,43,766	4,10,64,940
Other current liabilities	3,57,11,791	2,60,96,137
Cash generated from operations	**10,64,70,690**	**85,05,274**
Less: Net income tax paid	(1,28,12,970)	(42,07,195)
Net cash flow from operating activities	**9,36,57,720**	**42,98,079**
Cash flow from investing activities		
Purchase of property, plant & equipment	(4,98,29,614)	(7,17,81,018)
Proceeds from disposal of property, plant & equipment	4,10,889	18,45,719
Redemption of fixed deposits with maturity more than 3 months	-	99,140
Purchase of investments	-	(8,88,90,000)
Interest Income received	-	30,424
Profit from sale of business	-	1,09,216
Advance for purchase of investments	(9,00,000)	(60,00,000)
Net cash used in investing activities	**(5,03,18,725)**	**(16,45,86,519)**
Cash flow from financing activities		
Repayment of long term borrowings	(3,09,57,460)	-
Proceeds from long term borrowings	-	16,12,58,576
Finance costs	(94,83,096)	(89,75,693)
Net cash used in financing activities	**(4,04,40,556)**	**15,22,82,883**
Net increase in cash and cash equivalents	28,98,439	(80,05,557)
Cash and cash equivalents at the beginning of the year	1,84,83,581	2,64,89,138
Cash and cash equivalents at the end of the year	**2,13,82,020**	**1,84,83,581**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 15)	2,17,05,564	1,88,07,125
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	3,23,544	3,23,544
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 15	**2,13,82,020**	**1,84,83,581**

See accompanying notes forming part of the standalone financial statements 1-26

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Monisha Parikh
Partner
Membership No.47840

Place: Bangalore
Date: 15 February, 2022

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

For and on behalf of the Board of Directors

Sunil Suresh
Director
DIN : 01421517

Shobha Sunil
Director
DIN: 01363687

Place: Bangalore
Date: 15 February, 2022

STANLEY RETAIL LIMITED
(CIN:U52599KA2008PLC046573)

Notes forming part of the standalone 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**	**No of shares**	**Amount**	**No of shares**	**Amount**
	Authorised capital (equity shares of Rs. 10 each)	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	Issued, Subscribed and fully paid - up share capital (equity shares of Rs. 10 each)	41,25,616	4,12,56,160	41,25,616	4,12,56,160
	TOTAL	**41,25,616**	**4,12,56,160**	**41,25,616**	**4,12,56,160**

(a) Reconciliation of the Equity 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	41,25,616	41,25,616
Movement during the year	-	-
Shares outstanding at the end of the year	**41,25,616**	**41,25,616**

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Percentage of holding	**No. of Shares**	**Percentage of holding**	**No. of Shares**
Equity shares with voting rights: Stanley Lifestyles Limited	96.96%	40,00,000	96.96%	40,00,000

(c) Details of shares held by the Holding Company

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Percentage of holding	**No. of Shares**	**Percentage of holding**	**No. of Shares**
Equity shares with voting rights: Stanley Lifestyles Limited	96.96%	40,00,000	96.96%	40,00,000

(d) 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 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.

(e) 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.

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Notes forming part of the standalone financial statements for the year ended 31 March, 2021
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Note 10A: Property Plant & Equipment

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-20	Additions	Disposals	As at 31-Mar-21	As at 01-Apr-20	Depreciation for the year	Disposals	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Tangible Assets (Owned)										
Leasehold improvements	13,07,92,076	4,96,04,452	84,30,060	17,19,66,468	3,21,99,853	1,41,23,479	50,62,055	4,12,61,277	13,07,05,191	9,85,92,223
Electrical equipment	75,11,260	34,51,299	-	1,09,62,559	27,35,883	8,49,727	-	35,85,610	73,76,949	47,75,377
Furnitures and fixtures	11,82,636	56,100	-	12,38,736	1,53,063	1,14,355	-	2,67,418	9,71,318	10,29,573
Office equipments	42,74,898	18,84,503	3,10,400	58,49,001	24,89,905	5,11,464	55,195	29,46,174	29,02,827	17,84,993
Computers	31,00,621	10,23,919	-	41,24,540	16,78,483	7,15,525	-	23,94,008	17,30,532	14,22,138
Motor vehicles	78,59,253	-	-	78,59,253	15,60,923	9,33,286	-	24,94,209	53,65,044	62,98,330
Total	**15,47,20,744**	**5,60,20,273**	**87,40,460**	**20,20,00,557**	**4,08,18,110**	**1,72,47,836**	**51,17,250**	**5,29,48,696**	**14,90,51,861**	**11,39,02,634**

Note 10B: Intangible Assets

Particulars	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01-Apr-20	Additions	Disposals	As at 31-Mar-21	As at 01-Apr-20	Amortisation for the year	Disposals	As at 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Intangible Assets										
Acquired software	23,64,977	-	-	23,64,977	5,50,219	3,65,421	-	9,15,640	14,49,337	18,14,758
Acquired goodwill	34,00,000	-	-	34,00,000	34,00,000	-	-	34,00,000	-	-
Total	**57,64,977**	-	-	**57,64,977**	**39,50,219**	**3,65,421**	-	**43,15,640**	**14,49,337**	**18,14,758**

Property Plant & Equipment (Opening Balance)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Disposals	As at 31-Mar-20	As at 01-Apr-19	Depreciation for the year	Disposals	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Tangible Assets (Owned)										
Leasehold improvements	7,44,49,996	5,80,21,678	16,79,598	13,07,92,076	2,36,44,999	90,04,665	4,49,811	3,21,99,853	9,85,92,223	5,08,04,997
Electrical equipment	61,64,706	20,57,599	7,11,045	75,11,260	24,51,954	5,02,378	2,18,449	27,35,883	47,75,377	37,12,752
Furnitures and fixtures	3,10,241	8,92,927	20,532	11,82,636	1,06,058	58,139	11,134	1,53,063	10,29,573	2,04,183
Office equipments	32,28,634	12,21,811	1,75,547	42,74,898	22,73,331	3,31,397	1,14,823	24,89,905	17,84,993	9,55,303
Computers	20,30,959	13,04,278	2,34,616	31,00,621	13,79,333	4,44,998	1,45,848	16,78,483	14,22,138	6,51,626
Motor vehicles	52,18,102	26,41,151	-	78,59,253	9,23,138	6,37,785	-	15,60,923	62,98,330	42,94,964
Total	**9,14,02,638**	**6,61,39,444**	**28,21,338**	**15,47,20,744**	**3,07,78,813**	**1,09,79,362**	**9,40,065**	**4,08,18,110**	**11,39,02,634**	**6,06,23,825**

Intangible Assets (Opening Balance)

Particulars	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at 01-Apr-19	Additions	Disposals	As at 31-Mar-20	As at 01-Apr-19	Amortisation for the year	Disposals	As at 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Intangible Assets										
Acquired software	18,24,727	5,40,250	-	23,64,977	3,49,718	2,00,501	-	5,50,219	18,14,758	14,75,009
Acquired goodwill	34,00,000	-	-	34,00,000	34,00,000	-	-	34,00,000	-	-
Total	**52,24,727**	**5,40,250**	-	**57,64,977**	**37,49,718**	**2,00,501**	-	**39,50,219**	**18,14,758**	**14,75,009**

Note 10C: Depreciation

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on tangible assets as per note 10A	1,72,47,836	1,09,79,362
Amortisation on intangible assets as per note 10B	3,65,421	2,00,501
	1,76,13,257	1,11,79,863

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Note No	Particulars	As at 31 March 2021	As at 31 March 2020
4	**Reserves and surplus**		
	(i) **Securities premium account**		
	Opening Balance	43,43,840	43,43,840
	Movement during the year	-	-
	Closing balance	**43,43,840**	**43,43,840**
	(ii) **Surplus in statement of profit and loss**		
	Opening balance	6,76,79,681	6,48,44,600
	Add: Profit for the year	1,78,62,557	28,35,081
	Closing balance	**8,55,42,238**	**6,76,79,681**
	Total	**8,98,86,078**	**7,20,23,521**
5	**Long-term borrowings**		
	Secured		
	Term loans from banks (refer note below)	15,74,793	20,32,253
	Unsecured		
	Loan from Stanley Lifestyles Limited	12,95,00,000	16,00,00,000
	Total	**13,10,74,793**	**16,20,32,253**
	Note:		
	Terms of repayment and securities		
	(i) From Banks:		
	Long Term Borrowings	15,74,793	20,32,253
	Current maturities of long term debt (refer note 8)	4,57,462	11,94,482
	(Secured by hypothecation of vehicles procured from the term loans with rate of interest of 8%-8.15% p.a and repayable in 37 and 60 monthly instalments. The outstanding instalments as at 31 March, 2021 is 47 for one of the loan and the other loan has been repaid during the year)		
	(i) From Stanley Lifestyles Limited:		
	Long Term Borrowings	12,95,00,000	16,00,00,000
	Rate of interest: 6%-7%.		
	The loan is repayable on or before 14 June, 2024.		
	Total	**13,15,32,255**	**16,32,26,735**
6	**Long-term provisions**		
	Provision for gratuity (Refer Note 26.6)	47,44,002	-
	Provision for compensated absences (Refer Note 26.6)	13,13,210	3,88,034
	Total	**60,57,212**	**3,88,034**

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Note No	Particulars	As at 31 March 2021	As at 31 March 2020
7	**Trade Payables**		
	-Dues of micro enterprises and small enterprises (refer note 26.2)	-	-
	-Dues of creditors other than micro enterprises and small enterprises	26,73,30,854	16,27,87,088
	Total	**26,73,30,854**	**16,27,87,088**
8	**Other current Liabilities**		
	Current maturities of long term debt (refer note 5)	4,57,462	11,94,482
	Advance from customers (refer note below)	12,05,04,696	8,54,87,600
	Statutory dues	36,64,593	13,64,538
	Interest accrued and due on borrowings	-	8,68,340
	Total	**12,46,26,751**	**8,89,14,960**
	Note:		
	From related parties (refer note 26.8):		
	Key Management Personnel	-	1,38,53,217
	Subsidiary	1,20,000	1,20,000
9	**Short-term Provisions**		
	Provision for gratuity (Refer Note 26.6)	2,44,656	22,72,730
	Provision for compensated absences (Refer Note 26.6)	1,08,432	33,133
	Total	**3,53,088**	**23,05,863**

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Note No	Particulars	As at 31 March 2021	As at 31 March 2020
11	**Non Current Investments**		
	Trade Investments (valued at cost unless stated otherwise)		
	Investment in equity instruments of subsidiaries:		
	Sana Lifestyles Limited (62,850 (previous year : 62,850) equity shares (nominal value of Rs. 10 each fully paid))	16,21,255	16,21,255
	Shrasta Décor Private Limited (2,680,000 (previous year : 2,050,000) equity shares of Rs. 10 each fully paid))	2,68,00,000	2,68,00,000
	Shrasta Décor Private Limited-Shares pending allotment		-
	Staras Seating Private Limited (101,000 (previous year : Nil) equity shares of Rs. 885 each (nominal value of Rs. 100 each fully paid))	8,93,85,000	8,93,85,000
	Scheek Home Interiors Limited (49,500 (previous year : 49,500) equity shares of Rs. 153.07 each (nominal value of Rs. 10 each fully paid))	75,77,086	75,77,086
		12,53,83,341	12,53,83,341
	Less: Provision for diminution in value of investment (Scheek Home Interiors Limited)	(75,77,086)	(75,77,086)
	Total	**11,78,06,255**	**11,78,06,255**
	Aggregate amount of unquoted investments	11,78,06,255	11,78,06,255
	Aggregate amount of provision for diminution in value of investment	75,77,086	75,77,086
12	**Long-term loans and advances**		
	Security Deposits		
	-Unsecured, considered good	4,74,85,138	4,59,99,310
	-Unsecured, considered doubtful	12,59,230	25,18,045
	Less: Provision for doubtful security deposits	(12,59,230)	(25,18,045)
		4,74,85,138	4,59,99,310
	(Unsecured, considered good)		
	Capital Advances	45,000	66,46,548
	Minimum alternate tax (MAT) credit entitlement *	-	24,18,314
	Loans and Advances to Related parties (Refer Note No. 26.8)	-	10,00,000
	Prepaid Expenses	19,009	-
	Advance for purchase of non-current investment	84,00,000	75,00,000
	Advance Income tax (net of provision for income tax of Rs. 14,873,844 (previous year: Rs. 6,823,651))	1,25,29,324	1,09,61,973
	Balances with government authorities	66,832	12,16,052
	Total	**6,85,45,303**	**7,57,42,197**

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Note No	Particulars	As at 31 March 2021	As at 31 March 2020
	*** MAT credit movement during the year:**		
	Opening balance	24,18,314	31,05,591
	Add: MAT availed during the year	-	3,23,279
	Less: MAT utilised during the year	24,18,314	10,10,556
	Closing balance	-	**24,18,314**

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Note No	Particulars	As at 31 March 2021	As at 31 March 2020
13	**Inventories**		
	(lower of cost and net realizable value)		
	Stock-in-trade	24,08,53,670	15,99,73,608
	Total	**24,08,53,670**	**15,99,73,608**
14	**Trade receivables**		
	Trade Receivables outstanding for a period exceeding six months		
	-Unsecured, considered good	-	-
	Other Trade receivables		
	-Unsecured, considered good (refer note 26.8)	3,10,47,239	3,24,39,149
	-Unsecured, considered doubtful	40,15,336	33,34,491
	Less: Provision for doubtful debts	(40,15,336)	(33,34,491)
		3,10,47,239	3,24,39,149
	Total	**3,10,47,239**	**3,24,39,149**
15	**Cash and cash equivalents**		
	Cash in Hand	17,58,965	4,42,175
	Cheques in hand	24,43,599	3,68,927
	Balances with Banks:		
	-in current accounts	1,71,79,456	1,76,72,479
		2,13,82,020	**1,84,83,581**
	Other bank balances		
	Deposits with original maturity of more than three months and less than twelve months	3,23,544	3,23,544
	Total	**2,17,05,564**	**1,88,07,125**
16	**Short-term loans and advances**		
	(Unsecured, considered good)		
	Advance to suppliers	2,26,33,135	49,41,549
	Prepaid Expenses	7,91,007	2,86,827
	Other Advances	55,876	8,35,000
	Total	**2,34,80,018**	**60,63,376**

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Note No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
18	**Revenue from operations**		
	Sale of products (Traded goods)	81,00,56,109	67,56,98,929
	Total	**81,00,56,109**	**67,56,98,929**
	(Note: The Company operates in one category, namely the trading of Furniture, Fixtures and Accessories including trading of leather hides)		
19	**Other Income**		
	Interest income on deposits	-	30,424
	Profit from sale of business	-	1,09,216
	Exchange Gain	5,18,988	-
	Miscellaneous income	15,318	4,82,548
	Total	**5,34,306**	**6,22,188**
20	**Purchases of stock- in-trade**		
	Purchases	59,83,72,745	52,17,11,787
	Total	**59,83,72,745**	**52,17,11,787**
	(Note: The purchases fall under one category, namely furniture, fixtures and accessories including leather hides.)		
21	**Changes in inventories of stock-in-trade**		
	Opening stock	15,99,73,608	11,21,70,732
	Less: Closing stock	(24,08,53,670)	(15,99,73,608)
	Total	**(8,08,80,062)**	**(4,78,02,876)**
22	**Employee benefits expense**		
	Salaries and wages	5,95,67,500	6,98,11,425
	Gratuity expense (refer note 26.6)	10,49,639	14,29,448
	Contributions to Provident and other funds	28,19,530	31,32,342
	Staff welfare expenses	12,64,758	32,39,118
	Total	**6,47,01,427**	**7,76,12,333**
23	**Finance costs**		
	Interest expense on borrowings (refer note 26.9)	92,59,659	89,75,693
	Interest on income-tax	2,23,437	-
	Total	**94,83,096**	**89,75,693**

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Note No	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
24	**Depreciation and amortisation expense**		
	Depreciation expense on tangible assets (refer note 10C)	1,72,47,836	1,09,79,362
	Amortisation expense on intangible assets (refer note 10C)	3,65,421	2,00,501
	Total	**1,76,13,257**	**1,11,79,863**
25	**Other expenses**		
	Rent including lease rentals (refer note 26.9)	6,94,82,845	3,89,62,436
	Repair and Maintenance		
	-Leasehold facilities	96,47,320	96,61,542
	-Others	51,08,283	49,34,076
	Freight charges	90,32,579	82,55,080
	Advertisement and business promotion	4,43,14,531	33,15,250
	Power and fuel	1,03,74,234	1,14,70,503
	Travelling and conveyance	19,85,685	30,65,272
	Sales commission	50,47,220	57,30,816
	IT Expenses	12,57,000	-
	Provision for bad and doubtful trade receivables	6,80,845	9,45,384
	Bad debts written off	26,00,000	3,26,494
	Rates and taxes	9,98,225	19,21,138
	Legal and professional charges	16,84,707	14,18,483
	Payment to the auditors - as Auditors (net of taxes)		
	-Statutory audit	5,00,000	5,00,000
	Loss on write-off/ disposal of property, plant & equipment (net)	36,23,210	35,556
	Bank charges	47,52,690	28,47,446
	Expenditure on Corporate Social Responsibility (refer note 26.12)	5,89,723	-
	Provision for Doubtful Security Deposits	-	25,18,045
	Write-off of Security Deposits	12,58,815	-
	-Less: Reversal of Provision for Security Deposits	(12,58,815)	-
	Provision for diminution in value of investment	-	4,95,000
	Miscellaneous expenses	39,99,591	36,00,348
	Total	**17,56,78,688**	**10,00,02,869**

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

1. Company overview

Stanley Retail Limited ("the Company") was incorporated on 26 May 2008 as a public limited company with its registered office in Bengaluru, India. The Company is primarily engaged in the business of trading of Furniture, Fixtures and Accessories including trading of leather hides.

2. Significant accounting policies

2.1 Basis of preparation of standalone 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.).

2.2 Use of estimates

The preparation of standalone 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 standalone financial statements. The management believes that the estimates used in preparation of standalone financials 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 and 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. Cost includes cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

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

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, 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'.

(b) Intangible assets

Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(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 of the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Asset category	Useful Life
Acquired Computer Software	5 years

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 Goods and Services Tax and net of trade and quantity discounts.

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

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2. Significant accounting policies

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.

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.

Post-employment employee benefits:

Defined contribution schemes
The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefits plans
For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Compensated absences:
The cost of short-term compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

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2. Significant accounting policies

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.

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.

2.13 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 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.

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2. Significant accounting policies

2.16 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

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 standalone financial statements.

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

Note 26 Additional information to the standalone financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars
26.1	**Contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31 March, 2021	As at 31 March, 2020
Contingent liabilities	-	-
Commitments		
- Capital	1,06,200	54,93,774
- Others	-	-

26.2 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	-	-
(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.

26.3 Details on derivative instruments and unhedged foreign currency exposures

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) in Rs.	**Advance to suppliers/ (Payable) in Foreign currency**	**Advance to suppliers/ (Payable) in Rs.**	**Advance to suppliers/ (Payable) in Foreign currency**
54,31,966	USD 74,454.66	-	-
47,46,008	EURO 53,767.51	-	-
33,360	GBP 327.05	-	-
(4,22,125)	(USD 5,720.00)	-	-

26.4 Value of imports calculated on CIF basis:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Traded Goods	6,65,15,711	-

26.5 Expenditure in foreign currency:

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Purchases of stock-in-trade	4,50,28,928	-

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Note 26 Additional information to the standalone financial statements
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Note No	Particulars
26 6	**Employee benefit plans**
26 6 a	Defined contribution plans The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits The Company recognised Rs 2,819,530 (Year ended 31 March, 2020 Rs 3,132,342) for Provident Fund contributions, and Rs 278,435 (Year ended 31 March, 2020 Rs 383,454) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss The contributions payable to these plans by the Company are at rates specified in the rules of the schemes
26 6 b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i Gratuity

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	Gratuity	Gratuity
Components of employer's expense		
Current service cost	16.76.051	7,45,421
Interest cost	2,60,722	1,16,002
Past service cost	-	6,19,613
Actuarial losses/(gains)	(8,87,134)	(51,588)
Total expense recognised in the Statement of Profit and Loss	**10,49,639**	**14,29,448**
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	51,00.088	23,77,313
Fair value of plan assets	1,11,430	1 04 583
Funded status [Surplus / (Deficit)]	(49,88,658)	(22,72,730)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**(49,88,658)**	**(22,72,730)**

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
	Gratuity	Gratuity
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	23,77,313	15,89,073
Current service cost	16,76,051	7,45,421
Interest cost	2,67,583	1,16,002
Acquisitions	17,83,116	-
Actuarial (gains) / losses	(8,87,148)	(47,005)
Past service cost	-	6,19,613
Benefits paid	(1,16,827)	(6,45,791)
Present value of DBO at the end of the year	**51,00,088**	**23,77,313**
Change in fair value of assets during the year		
Plan assets at beginning of the year	1,04,583	-
Expected return on plan assets	6,861	-
Actual company contributions	-	1,00,000
Actuarial gain / (loss)	(14)	4,583
Plan assets at the end of the year	**1,11,430**	**1,04,583**
Actual return on plan assets	6,847	4,583
Composition of the plan assets is as follows:		
Government bonds	100.00%	100.00%
Actuarial assumptions		
Discount rate	6.57%	6 56%
Expected return on plan assets	6 57%	6.56%
Salary escalation	10.00%	10 00%
Attrition	10.00%	10 00%
Mortality tables	Indian assured lives mortality(2006-08)	Indian assured lives mortality(2006-08)
Performance percentage considered	-	-

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations
The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors

Experience adjustments

Gratuity	2020-2021	2019- 2020	2018- 2019
Present value of DBO	(51,00,088)	(23,77,313)	(15,89,073)
Fair value of plan assets	1,11,430	1,04,583	NA
Funded status [Surplus / (Deficit)]	(49,88,658)	(22,72,730)	(15,89,073)
Experience gain / (loss) adjustments on plan liabilities	(8,82,843)	(2,15,611)	(6,43,795)
Experience gain / (loss) adjustments on plan assets	(14)	4,583	NA

Note: The details of experience adjustment of earlier years is provided to the extent available with the Company

26 6 c The actuarial assumptions used for compensated absences are the same as that used in valuation of gratuity liability given in note 26 6b above

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Note 26 Additional information to the standalone financial statements
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Note	Particulars
26.7	**Segment information** The Company operates in one business segment, namely trading and sale of Furniture, Fixtures and Accessories including trading of leather hides. 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 disclosure is considered necessary.
26.8	**Related party transactions**
26.8.a	**Details of related parties:**

Description of relationship	Names of related parties
Holding Company	Stanley Lifestyles Limited
Subsidiaries	Sana Lifestyles Limited Scheek Home Interiors Limited Staras Seating Private Limited (from 26 June 2019) Shrasta Décor Private Limited
Fellow subsidiaries	ABS Seating Private Limited Stanley OEM Sofas Limited
Key Management Personnel (KMP)	Sunil Suresh- Director Shubha Sunil- Director Rajagopal S- Group CFO (Upto 31-03-2021)
Relative of KMP	Sonakshi Sunil- (from 1 August 2020)
Entities in which KMP can exercise significant influence	Stanley Estates and Leisure Staras Seating Private Limited (till 25 June 2019) ABS Seating Private Limited Saas Kitchens

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Note No	Particulars	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
26 8 b	**Particular of Transactions with Related parties during the year**			
	Sans Kitchens	Entity in which KMP can exercise significant influence		
	Sales		-	71,700
	Purchases		18,57,431	1,27,68,645
	Recovery of expenses		-	3,32,817
	Reimbursement of Expenses		1,20,099	1,86,733
	Stanley Estate and Leisure	Entity in which KMP can exercise significant influence		
	Sales		10,39,042	11,81,855
	Advertisement and business promotion		1,48,093	-
	Stanley Lifestyles Limited	Holding Company		
	Sales		47,88,107	24,71,574
	Purchases		54,83,53,963	55,11,82,927
	Common expenses charged		7,85,91,669	1,96,75,320
	Recovery of expenses		7,05,021	60,64,407
	Reimbursement of Expenses		7,12,056	3,70,455
	Receivables converted to loan		-	10,99,16,781
	Loan borrowed		-	6,82,84,750
	Loan repaid		3,05,00,000	1,82,01,531
	Interest on loan		90,47,751	96,30,879
	Sale of SLL payables to ABS Seating		-	44,90,627
	Transfer of Gratuity liability on of transfer of employees		17,83,116	-
	Transfer of Leave encashment liability on of transfer of employees		2,17,007	-
	ABS Seating Private Limited	Fellow Subsidiary		
	Sales		29,47,274	24,52,701
	Purchases		22,88,675	-
	Common expenses charged		18,66,480	22,85,660
	Reimbursement of Expenses		2,84,527	7,560
	Recovery of expenses		4,52,631	10,95,400
	Slump Sale of Gurgaon showroom		-	77,45,713
	Staras Seating Private Limited	- Subsidiary (From 26 June, 2019) - Entities in which KMP can exercise significant influence (till 25 June 2019)		
	Sales		55,56,763	35,04,283
	Common expenses charged		18,66,480	22,85,660
	Reimbursement of Expenses		-	98,445
	Recovery of expenses		13,62,599	16,75,744
	Investment made in equity shares		-	8,93,85,000
	Sana Lifestyles Limited	Subsidiary		
	Sales		59,36,430	3,29,328
	Purchases		17,21,717	-
	Reimbursement of Expenses		-	72,534
	Recovery of expenses		9,88,105	5,13,728
	Loan repaid		10,00,000	25,70,000
	Scheek Home Interiors Limited	Subsidiary		
	Advances received		-	1,20,000
	Provision for diminution in value of investment		-	4,95,000
	Stanley OEM Sofas Ltd.	Fellow Subsidiary		
	Purchases		3,91,97,341	1,94,15,006
	Reimbursement of expenses		-	26,200
	Shrasta Décor Pvt. Ltd.	Subsidiary		
	Sales		89,35,432	18,59,036
	Common expenses charged		9,33,244	11,42,830
	Purchases		1,04,014	1,01,294
	Recovery of expenses		83,08,448	1,000
	Sunil Suresh	KMP		
	Sales		21,05,903	20,16,405
	Shubha Sunil	KMP		
	Sales		1,06,68,951	54,69,876
	Salary / Perquisites		-	30,00,000
	Advance received		-	1,70,51,477
	Recovery of expenses		5,35,540	-
	Sonakshi Sunil	Relative of KMP		
	Salary / Perquisites		3,22,000	-

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Note No	Particulars	Account	As at 31 March 2021	As at 31 March 2020
26.8.c	**Balance outstanding as at Balance sheet date:**			
	Saas Kitchens	Advance to suppliers	4,19,315	2,425
	Stanley Estates and Leisure	Trade receivables	4,96,219	-
	Stanley Lifestyles Limited	Trade payables	24,44,32,386	14,89,12,158
		Long term borrowings	12,95,00,000	16,00,00,000
		Other current liabilities	-	8,68,340
	Sana Lifestyles Limited	Long term loans and advances	-	10,00,000
		Advance from customers	7,18,914	-
	Stanley OEM Sofas Ltd.	Trade payables	-	15,45,116
	Shrasta Décor Pvt ltd	Trade receivables	72,624	6,87,932
	ABS Seating Private Limited	Trade receivables	17,65,587	81,64,105
	Staras Seating Private Limited	Trade receivables	1,44,734	5,21,797
		Investment in equity shares	-	8,93,85,000
	Scheek Home Interiors Limited	Advance from customers	1,20,000	1,20,000
	Sonakshi Sunil	Salary payable	49,800	-
	Shubha Sunil	Advance from customers	-	1,38,53,217

Note:
During the previous year, investment in Scheek Home Interiors Limited, a subsidiary, an amount of Rs. 495,000 has been provided for diminution in value, other than temporary in nature totalling upto Rs. 7,577,086.

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

Note 26 Additional information to the standalone financial statements
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Note No	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
26.9	The Company has entered into operating lease arrangements for office premises and showrooms with initial lease period of 9 years to 10 years and some of the leases are under non-cancellable period ranging between one year to two years. These agreements are renewable based on mutual agreement of the parties. The lease agreements provide for an increase in the lease rents by 5%-15% over a period of one year to three years.		
	Future minimum lease payments		
	not later than one year	3,79,71,070	4,68,27,640
	later than one year and not later than five years	80,81,250	4,16,02,320
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss	6,94,82,845	3,89,62,436
26.10	**Earnings per share**		
	Basic and diluted		
	Profit for the year	1,78,62,557	28,35,082
	Profit for the year attributable to the equity shareholders	1,78,62,557	28,35,082
	Weighted average number of equity shares	41,25,616	41,25,616
	Par value per share	10	10
	Earnings per share - Basic and diluted	4.33	0.69

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Note 26 Additional information to the standalone financial statements
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Note No	Particulars	As at 31 March, 2021 Amount (INR)	As at 31 March, 2020 Amount (INR)
26.11	**Deferred tax (liabilities) / assets**		
	Tax effect of items constituting deferred tax liabilities		
	On expenditure deferred in the books but allowable for tax purposes	-	-
	Tax effect of items constituting deferred tax liabilities	-	-
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences, gratuity and other employee benefits	13,87,845	6,32,273
	Provision for doubtful debts / advances	14,67,384	9,27,656
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	21,30,348	9,31,128
	On difference between book balance and tax balance of fixed assets	16,60,112	6,67,720
	Tax effect of items constituting deferred tax assets	**66,45,689**	**31,58,777**
	Deferred tax (liabilities) / assets (net)	**66,45,689**	**31,58,777**

26.12 **Corporate social responsibility**

Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Gross amount required to be spent by the Company during the year as per section 135 of the Act	5,89,723	6,39,182
(b) Amount spent during the year:		
(i) Construction / Acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-

Subsequent to the year end, the Company has transferred Rs. 1,800,000 to "Unspent CSR Account" with a Bank and Rs.589,723/- has been incurred towards CSR expenditure from the said account.

26.13 During the previous year, the Company has transferred it's showroom at Gurgaon location to ABS Seating Private Limited. As part of the sale, the Company has transferred it's assets comprising of leasehold improvements, inventory, receivables, and other current assets amounting to Rs. 15,270,318 along with it's liabilities comprising of trade payables, employee payables and other current liabilities amounting to Rs. 9,579,534 for a consideration of Rs. 5,800,000. The gain arising out of the sale was recorded as other income (Refer Note 19).

26.14 During the year ended 31 March 2020, Income Tax authorities conducted search under section 132 of the Income Tax Act, 1961 ('IT Act') at some of the premises of the Company. Subsequently the Company received notices under section 153A of IT Act for block assessment for the assessment years 2014-15 to 2020-21. Subsequent to the year ended 31 March 2021, assessments under section 153A of IT Act for the said years were completed and there were no adjustments to the returned income and consequently no additional income tax liability.

26.15 The rapid outbreak of COVID-19 pandemic presents health crisis and its impact is unfolding in real time. As a result of lockdown by Government of India, the Company's offices, showrooms were temporarily closed from 21 March 2020 and operations were allowed to be resumed in the month of May 2020. Subsequently, as per the Government guidelines, the Company had closed its operations and showroom intermittently during the year ended 31 March 2021. The Company had undertaken various measures to ensure that adequate stocks are available for regular operations and other initiatives to manage costs. As estimated by the Management, there is no 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 impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

26.16 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

See accompanying notes forming part of the standalone financial statements

For and on behalf of the Board of Directors

Sunil Suresh
Director
DIN : 01421517

Shobha Sunil
Director
DIN: 01363687

Place: Bangalore
Date: 15 February, 2022

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