

INDEPENDENT AUDITOR'S REPORT

To The Members of Stanley Lifestyles Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Stanley Lifestyles Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss and the Consolidated 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group as at 31 March 2020, their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the consolidated financial statements, standalone 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 consolidated 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 consolidated financial statements, our responsibility is to read the other information compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

Deloitte Haskins & Sells LLP

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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.

Other Matters

- (a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 48,976,770 as at 31st March, 2020, total revenues of Rs. 115,400,125 and net cash inflows amounting to Rs. 6,319,563 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) Due to COVID-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the Management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory as per the guidance provided in the Standard on Auditing 501 "Audit Evidence – Specific Consideration for Selected Items", which includes inspection of supporting documents, on test check basis, relating to purchases, production, sales, results of cyclical counts performed by the Management through the year and such other third party evidences as applicable, and have obtained sufficient appropriate audit evidence to issue an unmodified opinion on the financial statements.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

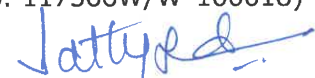
**Deloitte
Haskins & Sells LLP**

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India, to whom internal financial controls over financial reporting is applicable . Our report expresses qualified opinion on the operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- 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 Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies.

For **Deloitte Haskins Sells LLP**

Chartered Accountants

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



Sathya P Koushik

(Partner)

(Membership No. 206920)

UDIN: 21206920AAAAAJ2312

Place: Bengaluru

Date: December 30, 2020

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Stanley Lifestyles Limited (hereinafter referred to as "Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial

Controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

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.

Basis for Qualified opinion

With respect to the Parent, according to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

The Company's control over inward of materials from domestic vendors was not operating effectively during the year ended March 31, 2020 which could potentially result in misstatement of consumption.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent and its subsidiary companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

W

Deloitte Haskins & Sells LLP

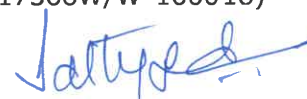
We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2020, and the material weakness does not affect our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
UDIN: 21206920AAAAAJ2312

Place: Bengaluru
Date: December 30, 2020

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)


Consolidated Balance Sheet as at 31 March 2020

Amount (Rs.)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
A) EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.b	73,710,240	73,710,240
(b) Reserves and surplus	4	1,817,952,311	1,794,723,623
		1,891,662,551	1,868,433,863
2 Minority Interest	5	43,462,051	35,817,591
3 Non-current liabilities			
(a) Long-term borrowings	6	2,041,473	2,069,352
(b) Long-term provisions	7	5,708,292	15,525,397
		7,749,765	17,594,749
4 Current liabilities			
(a) Short term borrowings	8	68,307,179	-
(b) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises; and		6,544,898	1,185,249
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		290,231,144	272,197,354
(c) Other current liabilities	10	187,773,686	152,612,704
(d) Short-term provisions	11	16,309,470	20,408,260
		569,666,377	446,403,567
Total		2,512,540,744	2,368,249,770
B) ASSETS			
1 Non-current assets			
(a) Property, plant & equipment	12A	347,045,209	266,050,462
(b) Intangible assets	12B	9,345,069	4,739,333
(c) Capital work-in-progress		-	1,545,225
(d) Goodwill on consolidation	12C	25,569,705	1,273,982
(e) Non-current investments	13	-	-
(f) Deferred tax assets (net)	30.12	4,811,443	15,606,748
(g) Long-term loans and advances	14	200,299,264	172,287,051
		587,070,691	461,502,800
2 Current assets			
(a) Inventories	15	865,556,167	838,224,894
(b) Trade receivables	16	124,400,653	142,215,583
(c) Cash and cash equivalents	17	843,142,488	841,703,931
(d) Short-term loans and advances	18	83,256,160	78,209,703
(e) Other current assets	19	9,114,585	6,392,859
		1,925,470,053	1,906,746,970
Total		2,512,540,744	2,368,249,770

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018


Sathya P Koushik
Partner
Membership No.206920

For and on behalf of the Board of Directors


Sunil Suresh
Director
DIN : 01421517


Shubha Sunil
Director
DIN : 01363687


Rajagopal Sethuraman
Group CFO


Jitesh Bansal
Company Secretary
M/No: 29149

Place : Bangalore
Date : December 30,2020.

Place : Bangalore
Date : December 30,2020.

STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Statement of Consolidated Profit and Loss for the year ended 31 March 2020


Amount (Rs.)

Particulars	Note No.	For the Year ended 31 March 2020	For the Year ended 31 March 2019
1 Revenue from operations	20	2,063,183,097	2,290,121,479
2 Other income	21	58,062,849	54,690,456
Total revenue		2,121,245,946	2,344,811,935
3 Expenses			
(a) Cost of materials consumed	22	72,730,397	610,273,948
(b) Purchases of stock-in-trade	23	892,435,067	713,410,661
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	66,520,771	(48,234,015)
(d) Employee benefits expense	25	350,766,167	315,082,728
(e) Finance costs	26	723,543	9,099,768
(f) Depreciation and amortisation expense	27	44,739,821	39,189,400
(g) Other expenses	28	558,229,530	470,546,377
Total expenses		1,986,145,296	2,109,368,867
4 Profit before tax		135,100,650	235,443,067
5 Tax expense:			
(a) Current tax expense		37,099,402	79,221,257
(b) Current tax expense of earlier years		3,012,203	540,006
(c) Mat credit entitlement		-	(3,105,592)
(d) Deferred tax charge/(credit)	30.12	9,788,388	(3,877,229)
6 Profit after tax before share of loss from associate and minority interest		85,200,657	162,664,624
Share of (loss) from associate		-	(633,878)
7 Profit after tax before minority interest		85,200,657	162,030,746
Share of profit/(loss) attributable to minority interest (net)		7,644,460	4,625,150
8 Profit/(Loss) after tax attributable to the share holders of the Company		77,556,197	157,405,596
8 Earnings per share (EPS)	30.8		
Basic and diluted (nominal value of Rs. 10 per share)		10.39	22.95

See accompanying notes forming part of the financial statements

In terms of our report attached

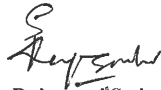
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018


Sathya P Koushik
Partner
Membership No.206920

For and On behalf of the Board of Directors


Sunil Suresh
Director
DIN : 01421517


Shubha Sunil
Director
DIN : 01363687


Rajagopal Sethuraman
Group CFO


Jitesh Bansal
Company Secretary
M/No: 29149

Place : Bangalore
Date : December 30,2020.

Place : Bangalore
Date : December 30,2020.



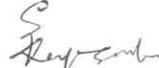


STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Consolidated Cash Flow Statement for the year ended 31 March 2020

Amount (Rs.)

Particulars	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Cash flow from operating activities:		
Net profit before tax	135,100,651	235,443,067
Adjustment for		
Depreciation, amortization and impairment provision	44,739,821	39,189,399
Bad debts and Provision for doubtful debts	9,843,701	11,601,713
Goodwill written off	-	7,082,086
Interest income	(50,508,086)	(28,807,902)
Profit from sale of business	(109,216)	-
Loss/(Profit) on sale of asset	696,960	107,395
Finance Cost	723,543	9,099,769
Operating profit/(loss) before working capital changes	140,487,374	273,715,527
Changes in working capital:		
Increase/ (Decrease) in trade payables	36,245,315	83,047,261
Increase / (Decrease) in other current liabilities	49,630,100	(99,058,848)
Decrease / (Increase) in Inventories	(27,331,273)	(201,718,473)
Decrease / (Increase) in trade receivables	13,620,278	6,874,501
Decrease / (Increase) in short term loans and advances	(11,962,807)	1,702,988
Decrease / (Increase) in short term provisions	(33,632,006)	-
Decrease / (Increase) in long term provisions	(12,093,699)	(27,552,368)
Decrease / (Increase) in other current assets	2,839,796	(5,805,485)
Decrease / (Increase) in long term loans and advances	(17,331,706)	(72,022,750)
Cash generated from operations	(16,003)	(314,533,174)
Less: Income tax paid	(39,788,070)	(68,909,581)
Net cash flows from Operation activities	100,683,301	(109,727,228)
Cash Flows From Investing Activities :		
Expenditure on property, plant & equipment and Intangible assets	(154,972,170)	(88,863,686)
Addition to Capital work in progress	-	(1,545,225)
Proceeds from sale of fixed assets	1,184,407	913,647
Loans given to subsidiary	545,705	-
Redemption of fixed deposits with maturity more than 3 months	14,827,332	-
Deposits with maturity within twelve months from reporting date	(227,856,562)	(519,666,024)
Decrease/(Increase) investments	-	34,800,000
Gain on redemption of mutual funds	-	-
Profit from sale of business	109,216	-
Advance for purchase of investments	(6,000,000)	-
Interest income	41,358,752	28,807,902
Net cash flows from investing activities	(330,803,320)	(545,553,386)
Cash Flows From Financing Activities :		
Increase / (Decrease) in long term borrowings	972,121	(1,700,175)
Increase / (Decrease) in short term borrowings	68,307,179	(95,682,426)
Proceeds from issue of shares	-	1,000,000,000
Share issue expenses	-	(20,080,857)
Dividend and dividend tax paid	(53,316,958)	(19,509,310)
Finance cost	(653,445)	(9,099,769)
Net Cash from financing activities	15,308,897	853,927,463
Net Increase in cash and cash equivalents	(214,811,122)	198,646,849
Cash and cash equivalents at beginning of the year	322,037,907	106,606,023
Add: Included on acquisition of subsidiaries	10,344,784	16,785,035
Cash and cash equivalents at end of the year	117,571,568	322,037,907

WJ

Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Particulars	<i>Amount (Rs.)</i>	
	For the Year ended 31 March, 2020	For the Year ended 31 March, 2019
Cash and cash equivalents (Refer Note 18)	843,142,488	841,703,931
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	725,570,921	519,666,024
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	117,571,568	322,037,907
	0	(0)
See accompanying notes forming part of the financial statements In terms of our report attached		
<p><i>for</i> Deloitte Haskins & Sells LLP Chartered Accountants Firm's Registration No. 117366W/W-100018</p>  <p>Sathya P Koushik Partner Membership No.206920</p>	<p><i>for and on behalf of the Board of Directors</i></p>  <p>Sunil Suresh Director DIN : 01421517</p>  <p>Rajagopal Sethuraman Group CFO</p>	
	 <p>Shubha Sunil Director DIN : 01363687</p>  <p>Jitesh Bansal Company Secretary M/No: 29149</p>	
Place : Bangalore Date : December 30,2020.	Place : Bangalore Date : December 30,2020.	

Notes forming part of the consolidated financial statements

Note No	Particulars	As at 31 March 2020		As at 31 March 2019	
		No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
3	Share Capital				
	Authorised Capital	7,500,000	75,000,000	7,500,000	75,000,000
	Issued, subscribed and fully paid - up share capital	7,371,024	73,710,240	7,371,024	73,710,240
	Total	7,371,024	73,710,240	7,371,024	73,710,240

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

Particulars	As at 31 March 2020	As at 31 March 2019
Shares outstanding at the beginning of the year	7,371,024	6,138,920
Shares issued during the year	-	1,232,104
Shares outstanding at the end of the year	7,371,024	7,371,024

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	No of shares	% Holding	No of shares	% Holding
Sunil Suresh	2,482,221	33.68%	2,408,295	32.67%
Shubha Sunil	2,482,219	33.68%	2,408,294	32.67%
Oman India Joint Investment Fund II	1,980,162	26.86%	1,980,162	26.86%
Kiran B Vuppalapati	278,121	3.77%	278,121	3.77%
Emmjay Financial Ventures Private Limited	100,000	1.36%	100,000	1.36%
Total	7,322,723	99.34%	7,174,872	97.34%

(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 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.



STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	As at 31 March 2020 Amount (Rs.)	As at 31 March 2019 Amount (Rs.)
3.b	Share Capital		
	Authorised Capital		
	Equity Share Capital (7,500,000 Equity shares at Rs. 10/- each)	75,000,000	75,000,000
	Authorised Capital	75,000,000	75,000,000
	Issued, Subscribed and fully paid - up Share Capital (7,371,024 Equity shares at Rs. 10/- each)	73,710,240	73,710,240
	Issued, Subscribed and fully paid - up Share Capital	73,710,240	73,710,240
4	Reserves and surplus		
(a)	Securities premium account		
	Opening balance	1,162,728,643	195,130,540
	Add: Premium on shares issued during the year	-	987,678,960
	Less: Share issue expenses (Refer note 29)	-	(20,080,857)
	Closing balance	1,162,728,643	1,162,728,643
(b)	Capital reserve on consolidation		
	Opening balance	258,108	-
	Add: arising out of investment made during the year	-	258,108
	Closing balance	258,108	258,108
(c)	Surplus in Statement of profit and loss		
	Opening balance	631,736,872	493,840,590
	Add: Profit for the year	77,556,197	157,405,593
	Less: Dividend paid	(44,226,144)	(5,711,438)
	Less: Tax on dividends paid	(9,090,814)	(13,790,479)
	Less: Tax adjustment	-	(7,393)
	Closing balance	655,976,111	631,736,872
	Total reserves and surplus	655,976,111	631,736,872
	Total	1,818,962,862	1,794,723,623
5	Minority Interest		
	Sana Lifestyles Limited (37.15%)		
	Share in Equity	371,500	371,500
	Share in profit	5,762,397	4,516,898
	Scheek homes interior limited (1%)	-	-
	Share in Equity	5,000	5,000
	Share in loss	(100,209)	(100,209)
	Shrasta Décor Private Limited (44.05%)	-	-
	Share in Equity	21,100,000	21,100,000
	Share in profit	4,478,965	141,650
	ABS Seating Private Limited (33%)	-	-
	Share in Equity	978,120	978,120
	Share in profit	7,725,891	9,554,514
	Less: Dividend paid	-	(3,773,362)
	Stanley Retail Limited (3.04%)	-	-
	Share in Equity	1,256,160	1,256,160
	Share in profit	1,884,227	1,767,320
	Total	43,462,051	35,817,591



WJ

STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	As at 31 March 2020 Amount (Rs.)	As at 31 March 2019 Amount (Rs.)
6	Long-term borrowings		
	Secured		
	Term loans from a bank (refer note 10)		
	- Financial institutions	-	78,827
	- Banks	-	1,981,305
	Unsecured		
	-Related parties	-	
	-Others	9,220	9,220
	Total	9,220	2,069,352
	Note:		
	Terms of repayment and security		
	BMW India Financial Services Private Limited		
	Long term loans	-	-
	Current maturities of long term debt	-	870,231
	Hypothecation of vehicles procured from the term loan. Rate of interest: 10.55% p.a. repayable in 12 monthly installments. The outstanding instalments as at 31 March, 2019 are 2 installments.		
	HDFC Bank Ltd.		
	Long term loans	-	1,981,305
	Current maturities of long term debt	1,207,628	1,900,569
	Hypothecation of vehicles procured from the term loan. Rate of interest: 9.55% p.a. repayable in 37-60 monthly installments. The outstanding instalments as at 31 March, 2019 are in range of 19-30 installments.		
	Kotak Mahindra Prime Ltd.		
	Long term loans	-	-
	Current maturities of long term debt	-	862,009
	Hypothecation of vehicles procured from the term loan. Rate of interest: 8.79% p.a. repayable in 36 monthly installments. The outstanding instalments as at 31 March, 2019 are 9 installments.		
	Toyota Financial Services India Ltd.		
	Long term loans	-	78,827
	Current maturities of long term debt	78,838	465,073
	Hypothecation of vehicles procured from the term loan. Rate of interest: 8.74% p.a. repayable in 36 monthly installments. The outstanding instalments as at 31 March, 2019 are 14 installments.		
	Total - (A)	1,286,466	6,158,014
	Less: Longterm borrowings as per note 6 - (B)	-	2,060,132
	Current maturities of long term debt (A-B)	1,286,466	4,097,882
7	Long-term provisions		
	Provision for gratuity (refer note 30.7)	3,723,943	15,525,397
	Provision for compensated absence (refer note 30.7)	1,984,349	
	Total	5,708,292	15,525,397



W

STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	As at 31 March 2020 Amount (Rs.)	As at 31 March 2019 Amount (Rs.)
8	Short term borrowings		
	Secured		
	From Banks	-	-
	State Bank of India	68,307,179	-
	Hypothecation of the entire stock of raw materials, spares, finished goods, receivables and other current assets (present and future) on pari passu basis. Equitable Mortgage of four residential properties belonging to Mr. Sunil Suresh and Mrs. Shubha Sunil located at Hanuma Reddy Layout, Wilson Garden Bangalore.		
	Hypothecation of unencumbered machinery, equipment and electrical works. (The entire loan is guaranteed by Mr. Sunil Suresh and Mrs. Shubha Sunil directors of the company)		
	Total	68,307,179	-
9	Trade payables		
	Dues of micro enterprises and small enterprises	6,544,898	1,185,246.00
	Dues of creditors other than micro enterprises and small enterprises	290,231,144	272,197,354
	Total	296,776,042	273,382,600
10	Other current liabilities		
	Current maturities of long term debt (refer note below)	2,480,948	4,097,882
	Other payables:		
	Advances from customers	142,931,609	92,917,253
	Advance from Related parties	13,853,217	-
	Payables on purchase of fixed assets	-	4,195,508
	Statutory reimitances	14,383,556	28,594,224
	Payable to employees	13,577,666	22,175,169
	Dealer deposits	546,690	632,668
	Total	187,773,686	152,612,704
11	Short-term provisions		
	Provision for employee benefits		
	Provision for gratuity (refer note 30.7)	10,887,070	1,227,209
	Provision for compensated absences (refer note 30.7)	252,607	2,724,091
	Provision for exgratia	2,975,337	-
	Provision for warranty (refer note 30.13)	1,647,605	3,000,000
	Provision for tax (net of Advance tax of Rs. 36,540,483 (31 March 2019: Rs. 66,849,991))	1,046,851	13,456,960
	Total	16,809,470	20,408,260



aw

STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	As at 31 March 2020 Amount (Rs.)	As at 31 March 2019 Amount (Rs.)
13	Non current Investments		
	Advance paid towards agreement to purchase shares of Staras Seating Pvt. Ltd.	-	-
	Sana Lifestyles Ltd	-	-
	Scheek Home Interiors Ltd	-	-
	Investment in 40,00,000 equity share of Rs.10 each in Stanley Retail Limited	-	-
	Investment in ABS Seating Pvt. Ltd.	-	-
	Investment in 10,000 equity share of Rs.10 each in Stanley Automotive Leather Trims Ltd	-	-
	Investment in 37,60,000 equity share of Rs.10 each in Stanley OEM Sofas Ltd	-	-
	Trade investments (valued at cost unless stated otherwise)	-	-
	Investment in equity instruments of other entities	-	-
	Shrasta Décor Private Limited (2,680,000 (previous year : 2,050,000) equity shares of Rs. 10 each fully paid)	-	-
	Staras Seating Private Limited (101,000 (previous year : Nil) equity shares of Rs. 885 each (nominal value of Rs. 100 each fully paid))	-	-
	Share application money pending allotment	-	-
	Shrasta Décor Private Limited-Shares pending allotment	-	-
	Total	-	-
	Less: Provision for diminution in value of investment (Scheek Home Interiors Limited)	-	-
	Total	-	-
	Aggregate amount of unquoted investments	-	-
14	Long-term loans and advances		
	<i>Unsecured, considered good</i>		
	Security deposits	145,641,968	113,090,887
	Minimum alternate tax credit entitlement (Refer Note below)	2,418,314	3,105,591
	Loans and advances:	-	-
	-Related parties (Refer Note 30.90)	-	40,591,995
	-Others	7,500,000	1,500,000
	Capital advances	6,646,548	4,526,850
	Balances with government authorities	8,392,007	834,848
	Advance income tax (net of provision for income tax of Rs. 31,836,349 (previous year: Rs. 1,512,680))	29,638,703	8,636,880
	Prepaid insurance	61,724	-
	Total	200,299,264	172,287,051
	Note		
	<u>Minimum alternate tax credit entitlement movement</u>		
	Opening balance	3,105,591	-
	Add: MAT as per audited financials	-	3,105,591
	Add: MAT availed during return filing	323,279	-
	Less: MAT utilised during the year	1,010,556	-
	Closing balance	2,418,314	3,105,591
15	Inventories		
	(lower of cost and net realisable value)		
	Raw materials (including Goods in transit of Rs. 54,464,176 (previous year: Rs. 20,459,307))	321,043,251	282,091,718
	Work in progress	38,936,733	60,638,938
	Stock-in-trade (including Goods in transit of Rs.Nil (previous year: Rs. 5,093,361))	474,240,931	389,142,253
	Finished goods	31,335,251	106,351,985
	Total	865,556,166	838,224,894



W

STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	As at 31 March 2020 Amount (Rs.)	As at 31 March 2019 Amount (Rs.)
16	Trade receivables		
	Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
	- Unsecured, considered good	35,554,842	98,356,959
	Other Trade receivables	-	-
	- Unsecured, considered good	88,845,811	43,858,624
	- Unsecured, considered doubtful	15,010,826	8,877,207
	Less: Provision for Doubtful debts	(15,010,826)	(8,877,207)
		-	-
	Total	124,400,653	142,215,583
17	Cash and cash equivalents		
	Cash in hand	1,909,113	7,732,036
	Cheques in hand	368,927	-
	Balance with banks:	-	-
	- Current accounts	75,417,882	97,294,658
	- in earmarked accounts (balance held as margin money)	16,187,734	-
	- Balance with banks as security against guarantees	-	5,472,365
	- in deposit accounts (original maturity of less than 3 months)	23,687,912	211,538,848
	Total	117,571,568	322,037,907
	Other bank balances		
	Deposits with original maturity within twelve months	725,570,921	519,666,024
	Total	843,142,488	841,703,931
18	Short-term loans and advances (Unsecured, considered good)		
	Advances to suppliers	58,312,393	39,013,794
	Balances with government authorities	19,330,631	36,604,036
	Prepaid expenses	1,498,849	1,533,658
	Advances to employees	178,861	89,671
	Other advances	3,935,425	968,545
	Total	83,256,159	78,209,703
19	Other current assets		
	Other receivables	9,114,585	6,392,858
	Total	9,114,585	6,392,858



W

STANLEY LIFESTYLES LIMITED (CIN: U19116K.A2007PLC044090)			
Notes forming part of the consolidated financial statements			
Note No.	Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
		Amount (Rs.)	Amount (Rs.)
20	Revenue from operations		
	Sale of products		
	Manufactured goods	648,328,819	1,166,969,378
	Raw materials	117,207,353	159,605,910
	Traded goods	1,295,295,132	961,605,928
	Other operating revenues	2,351,793	1,940,263
	Total	2,063,183,097	2,290,121,479
	(Note: The Company operates in one category, namely manufacture and trading of automotive seating covers, furniture, fixtures and accessories.)		
21	Other income		
	Net Gain on foreign currency transactions and translation	878,540	4,806,491
	Interest income	50,508,086	28,807,902
	Rental income	-	3,813,561
	Liabilities no longer required written back	2,487,863	11,311,824
	Design fee	-	437,500
	Provisions for Warranty written back	729,883	-
	Profit from sale of business	109,216	-
	Other income	3,349,262	5,513,178
	Total	58,062,849	54,690,456
22	Cost of materials consumed		
	Opening Stock	282,091,718	183,984,380
	Purchases		
	Raw-materials	860,425,440	657,788,837
	Clearing and forwarding Charges	85,983,721	50,592,449
	Less: Closing Stock	321,043,231	282,091,718
		907,457,628	610,273,948
23	Purchases of Stock-in-Trade		
	Purchases	57,707,836	713,410,661
	Total	57,707,836	713,410,661
	Note: The purchases fall under one category, namely furniture, fixtures and accessories.		
24	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Traded goods		
	Opening Stock	169,395,378	312,598,823
	Add: Included on acquisition of subsidiaries	54,900,510	55,377,121
	Closing Stock	495,218,574	389,142,253
	Increase/(Decrease) in traded goods	(270,922,686)	(21,166,309)
	Work in progress		
	Opening stock	60,638,938	39,641,752
	Closing stock	38,936,733	60,638,938
	Increase/(Decrease) in work in progress	21,702,205	(20,997,186)
	Manufactured goods		
	Opening stock	326,098,860	100,281,465
	Closing stock	31,335,251	106,351,985
	Increase/(Decrease) in manufactured goods	294,763,609	(6,070,520)
	Less: Unrealized profits	(23,536,710)	-
		69,079,838	(48,234,015)



WJ

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Notes forming part of the consolidated financial statements-

Note No.	Particulars	For the Year ended	For the Year ended
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
25. Employee benefits expense			
	Salaries and wages	306,783,356	279,574,727
	Gratuity expense (refer note 30.7)	9,504,392	9,976,777
	Contribution to provident and other funds	21,586,750	16,491,005
	Staff welfare expenses	12,891,669	9,040,219
	Total	350,766,167	315,082,728
26. Finance costs			
	Interest on borrowings	389,622	7,915,980
	Interest on income-tax	333,921	1,183,789
	Total	723,543	9,099,768
27. Depreciation and amortisation expense			
	Depreciation on tangible assets (Refer note 12A)	44,539,320	37,121,781
	Amortisation expense on intangible assets (Refer note 12B)	200,501	866,457
	Provision for impairment (Refer note 12A and 12B)	-	1,201,161
	Total	44,739,821	39,189,399
28. Other expenses			
	Advertisement and business promotion	92,311,402	118,094,873
	Rent including lease rentals (Refer Note 30.10)	209,891,831	112,710,024
	Royalty expense	15,055,359	16,496,822
	Repairs and Maintenance		
	-Plant and machinery	3,810,071	2,164,526
	-Leasehold facilities	13,314,033	14,897,399
	-Others	9,433,815	10,278,826
	Carriage outwards	23,927,512	21,447,274
	Travelling and conveyance	13,726,821	16,266,083
	Commission	8,874,934	4,861,169
	Bad Trade receivables written off	3,182,782	6,324,753
	Provision for doubtful debts	6,660,919	5,276,960
	Power and fuel	30,829,733	24,581,375
	Legal and professional charges (Refer note)	19,406,686	46,290,059
	Less: Share issue expense	-	(20,080,857)
	Freight charges	19,406,686	26,209,202
	Security charges	8,255,080	9,196,307
	Rates and taxes	7,768,280	10,311,239
	Printing and stationery	3,612,059	9,966,768
	Corporate social responsibility expenses	1,735,121	1,135,669
	Insurance expenses	4,540,000	3,700,000
	Loss on disposal of assets (net)	4,315,639	3,390,972
	Communication expenses	696,960	107,395
	Warranty cost (Refer note 30.10)	2,059,855	1,313,005
	Job work charges	-	4,486,748
	Write-off of goodwill on consolidation	37,819,846	13,187,565
	Provision for diminution in value of investment	-	7,082,086
	Bank charges	-	-
	Director sitting fees	12,078,518	11,789,462
	Miscellaneous expenses	1,040,000	860,000
		23,882,254	14,409,876
	Total	558,229,530	470,546,378
Note:			
	Payment to auditors (included under legal and professional charges)		
	- Statutory audit (net of taxes)	2,800,000	2,000,000
	- Others	-	-
		2,800,000	2,000,000
	Payment to auditors of subsidiaries (included under legal and professional charges)		
	- Statutory audit (net of taxes)	380,000	812,500
	- Others	100,000	235,000
		480,000	1,047,500



00

Amount (Rs.)

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC04490)

Note 12A: Property, plant & equipment

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			IMPAIRMENT		NET BLOCK	
	As at 01-Apr-19	On acquisition of subsidiaries (refer note 3.a)	As at 31-Mar-20	As at 01-Apr-19	Accumulated	Disposals	As at 01-Apr-19	Recognised during the year	As at 31-Mar-20	As at 31-Mar-18
Tangible assets (owned)										
Leasehold improvements	144,395,999	69,643,535	211,698,629	40,425,184	20,080,938	449,811	833,089	-	833,089	103,137,726
Plant & machinery	105,311,966	34,294,427	139,606,393	26,793,600	10,769,760	37,563,360	-	-	-	78,518,366
Electrical equipments	53,438,038	4,470,411	59,099,592	14,911,295	2,725,879	218,449	-	-	-	40,039,490
Furniture & fixtures	35,777,673	12,625,232	48,402,905	52,681,323	10,318,992	11,134	2,154,001	-	2,154,001	19,717,361
Office equipment	17,447,646	4,447,630	20,436,569	10,454,681	3,866,989	122,304	991,036	-	991,036	9,158,641
Computers	13,757,536	3,670,568	17,911,392	11,386,065	699,617	145,348	6,550	-	6,550	2,362,901
Motor vehicles	55,184,901	2,641,151	57,826,052	12,259,727	3,759,219	16,018,546	49,295	-	49,295	21,757,811
Total	405,313,759	19,742,954	545,259,950	135,229,326	43,732,015	947,546	4,033,971	-	4,033,971	266,050,462

Note 12B: Intangible assets

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION			IMPAIRMENT		NET BLOCK	
	As at 01-Apr-19	On acquisition of subsidiaries	As at 31-Mar-20	As at 01-Apr-19	Accumulated	Disposals	As at 01-Apr-19	Recognised during the year	As at 31-Mar-20	As at 31-Mar-19
Intangible assets										
Acquired software	5,459,225	5,613,542	11,072,767	719,892	-	1,007,805	-	-	-	9,345,070
Acquired goodwill	3,400,000	-	3,400,000	3,400,000	-	3,400,000	-	-	-	4,739,333
Total	8,859,225	5,613,542	14,072,767	4,119,892	-	3,400,000	-	-	-	9,345,070

Property, plant & equipment (Opening balance)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			IMPAIRMENT		NET BLOCK	
	As at 01-Apr-18	On acquisition of subsidiaries	As at 31-Mar-19	As at 01-Apr-18	Accumulated	Disposals	As at 01-Apr-18	Recognised during the year	As at 31-Mar-19	As at 31-Mar-18
Tangible assets (owned)										
Leasehold improvements	93,814,607	15,710,227	144,395,999	26,912,868	387,704	40,425,184	833,089	-	833,089	103,137,726
Plant & machinery	93,541,162	11,770,804	105,311,966	19,225,476	7,588,124	26,793,600	-	-	-	78,518,366
Electrical equipments	48,743,831	2,053,197	53,438,038	9,237,921	63,636	14,911,295	-	-	-	38,526,743
Furniture & fixtures	27,593,129	4,823,539	35,777,673	12,774,167	4,537,163	18,996,754	1,620,409	-	1,620,409	14,626,918
Office equipment	14,433,619	2,434,055	17,447,646	7,484,778	590,643	2,665,640	3,057,001	-	3,057,001	6,001,929
Computers	11,617,883	617,501	13,757,536	9,784,287	544,579	1,388,085	6,550	-	6,550	2,362,901
Motor vehicles	26,735,059	1,279,402	35,184,901	6,893,045	1,121,870	5,089,345	7,061	-	7,061	22,875,879
Total	316,479,290	27,505,734	405,313,759	92,312,542	7,245,586	145,056,583	2,832,810	1,201,161	4,033,971	221,333,938

Intangible assets (Opening Balance)

Particulars	GROSS BLOCK			ACCUMULATED AMORTISATION			IMPAIRMENT		NET BLOCK	
	As at 01-Apr-18	On acquisition of subsidiaries	As at 31-Mar-19	As at 01-Apr-18	Accumulated	Disposals	As at 01-Apr-18	Recognised during the year	As at 31-Mar-19	As at 31-Mar-18
Intangible assets										
Acquired software	937,275	14,900	5,459,225	243,042	14,152	476,853	-	-	-	694,233
Acquired goodwill	3,400,000	-	3,400,000	3,010,396	-	389,604	-	-	-	389,604
Total	4,337,275	14,900	8,859,225	3,253,438	14,152	866,457	-	-	-	4,739,333

Note 12C: Goodwill on consolidation

Particulars	31 March 2020		31 March 2019	
	Opening balance	Additions during the year (refer note 3)	Less: Written off during the year	Closing balance
Opening balance	1,273,982	8,074,841	-	9,348,823
Additions during the year (refer note 3)	24,295,723	281,227	-	24,576,950
Less: Written off during the year	-	7,082,086	-	(7,082,086)
Closing balance	25,569,705	1,273,982	-	26,843,687



Handwritten mark

Stanley Lifestyles Limited
Notes forming part of consolidated financial statement

1. Company overview

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

2. Basis of consolidation and significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated 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 Group. The financial statements are presented in Indian rupees (Rs.).

Principles of consolidation

The financial statements relate to Stanley Lifestyles Limited ("the Company"), its subsidiary companies and the Group's share of profit (loss) in its associates. The financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March 2020.
- ii) The financial statements of the Company and its subsidiary companies, have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- iii) The consolidated financial statements include the share of profit/loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.
- iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the financial statements. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the financial statements. The 'Goodwill'/'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entries. Goodwill arising on consolidation is not amortised but tested for impairment on annual basis.
- v) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- vi) Following subsidiary companies and associate have been considered in the preparation of the financial statements

Sl. No.	Name of the entity	Note No.	Relationship	Country of incorporation	Ownership at 31 March 2020 held by	% ownership held either directly or through subsidiaries	
						As at 31 March 2020	As at 31 March 2019
1	Stanley Retail Limited (SRL)		Subsidiary	India	SLL	96.96%	96.96%
2	Stanley OEM Sofas Limited		Subsidiary	India	SLL	100.00%	100.00%
3	Stanley Automotive Leather Trims Limited		Subsidiary	India	SLL	100.00%	100.00%
4	ABS Seating Private Limited (ABS)	b(1)	Subsidiary	India	SLL	67.00%	67.00%
5	Scheek Home Interiors Limited (Scheek)		Subsidiary	India	SRL	99.00%	99.00%
6	Shrasta Decor Private Limited (Shrasta)	b(2)	Subsidiary Associate	India	SRL	55.95%	55.95%
7	Sana Lifestyles Limited (Sana)		Subsidiary	India	SRL	62.35%	62.35%
8	Staras Seating Private Limited (Staras)	a(3)	Subsidiary	India	SRL	100.00%	0.00%



W

Note

- (a) During the current year, the Group has acquired the following entities:
 1. Staras Seating Private Limited: 100% shareholding for a total consideration of Rs. 89,385,000 and effective date of acquisition is 1 June 2019.
- (b) During the previous year, the Group has acquired the following entities:
 1. ABS Seating Private Limited: 67% shareholding for a total consideration of Rs. 19,408,005 and effective date of acquisition is 01 January 2019.
 2. Shrasta Decor Private Limited: The Group was holding 49.88% shareholding in Shrasta Decor Private Limited and was an associate upto 08 May 2018. The group has acquired additional 6.07% of the equity shares of Shrasta Decor Private Limited which led to acquisition of control w.e.f. 09 May 2018.

Amount (Rs.)

vii) **Key financials and other details on the above mentioned acquisitions:**

S.No	Year	Name of the entity	Current Year		Previous Year	
			Staras	ABS	ABS	Shrasta
1		Effective date of acquisition	01 June 2019	01 January 2019		09 May 2018
		Liabilities and assets as at 31 March 2020				
2		Liabilities				
		Non-current	-	-		55,672
		Current	36,832,906	9,486,146		39,583,925
3		Assets				
		Non-current	31,790,293	2,225,573		26,191,887
		Current	63,402,872	27,735,823		61,922,153
4		Goodwill / (Capital reserve)	24,295,723	(258,108)		281,227
5		Operations for the period ended 31 March 2020				
		Revenue	140,304,253	24,283,275		100,264,066
		Other Income	93,488	509,032		81,702
		Expenses	151,079,285	21,071,820		96,942,356
		Profit / (Loss) before tax	(10,681,544)	3,720,487		3,403,412
		Profit / (Loss) after tax	(7,515,866)	2,564,665		2,409,117



aw

Stanley Lifestyles Limited
Notes forming part of consolidated financial statement

2. Significant accounting policies

2.2 Use of estimates

The preparation of the consolidated 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 consolidated 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 Group 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, balances with banks in current accounts, and short-term investments with original maturity of three months or less. 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 Group are segregated based on the available information.

2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value. Cost includes cost of purchase, conversion and other costs incurred in bringing the inventory to their present condition and location. Work in progress and finished goods include appropriate portion of overheads.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials and other supplies held for use in production of the finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the related finished products will exceed their net realisable value.



W,

2. Significant accounting policies

2.7 Property, plant and equipment, 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'.

(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 (Refer note 30.12)

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.

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

Asset category	Useful Life
Acquired Computer Software	5 years

The Group believes that the useful life as given above best represent the useful lives of the assets based on the internal technical assessment and these useful lives are as prescribed under Part C of Schedule II of 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 Group and the revenue can be reliably measured.

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.

W



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.

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.

2.10 Employee benefits

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

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.



aw

Stanley Lifestyles Limited
Notes forming part of consolidated financial statement

2. Significant accounting policies

Defined benefits 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.

2.10 Employee benefits

Compensated absences:

The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Employee share based payments:

The Holding Company has formulated an employee share based plan under a scheme titled "Employee Stock Options & Restricted Stock Units Plan", under which shares are granted to eligible employees of the Company. These are accounted under the "Intrinsic Value Method" stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

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.



aw

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 Group 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 Group.

2.14 Impairment of assets

The Group 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 Group 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 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.



Stanley Lifestyles Limited
Notes forming part of consolidated financial statement

2. Significant accounting policies

2.17 Investments

Long-term investments (excluding investment properties), 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.

2.18 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.

2.19 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted, expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Provisions and contingencies

Provision is recognised if, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The disclosure of contingent liability is made if, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made if, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.



WJ

Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Amount (Rs.)

Note	Particulars	As at 31 March, 2020	As at 31 March, 2019
30.1	Contingent liabilities and commitments (to the extent not provided for)		
	Particulars	As at 31 March, 2020	As at 31 March, 2019
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt:		
	- Income tax AY 11-12 (claim relating to interest on loan granted to subsidiary)	-	-
	(a) -Atria mall case (refer note below 1)	26,337,132	26,337,132
	(b) Income tax TDS servey U/s 133A of IT Act 1961 filed an appeal against the	29,808,447	-
	Note: 1. M/s Alif Enterprises & Ors. have filed suit against the Company for non payment of rent, hoarding and other maintenance charges for the space allocated in 'Atria Mall' which amounts to Rs. 26,337,132/-. In-turn Company has filed counter claim against M/s Alif Enterprises & Ors. for loss suffered due to the poor maintenance in 'Atria Mall'. The Management is of the opinion that the case would be settled favourably and hence there is no necessity to provide for any anticipated liability.		
(ii)	Commitments	As at 31 March, 2020	As at 31 March, 2019
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible and Intangible assets	-	1,000,000
30.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2020	As at 31 March, 2019
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	840,217	1,185,246.00
	(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.		



W

Note 30 Additional information to the consolidated financial statements

30.3 Details on derivative instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at 31 March, 2020. These transactions have been undertaken to act as economic hedges for the Group's exposures to various risks in foreign exchange markets and 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 suppliers.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2020

Currency	Amount	Buy / Sell	Cross currency
USD	\$ 657,889	Buy	Rupees
USD	\$ (6,48,514)	Buy	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, 2020		As at 31 March, 2019	
Advance to suppliers/ (Payable)	Advance to suppliers/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
0	0	49,043	YEN 78,450
0	0	3,658,240	NOK 455,550
667	AED 33	613	AED 33
300,816	AUD 6500	2,208,792	AUD 44,905
22,671,342	USD 300,810	12,494,425	USD 180,238
998,998	EURO 12,025	1,046,346	EURO 13,457
(1,342,340)	(YEN 1,914,592)	(1,315,686)	(YEN 2,104,592)
(59,269,071)	(USD 786,397)	(24,237,479)	(USD 349,636)
(37,102,879)	(EURO 450,245)	(33,460,489)	(EURO 430,348)



W

Stanley Lifestyles Limited

Notes forming part of the consolidated financial statements

Note 30. Additional information to the consolidated financial statements

Note	Particulars	
30.4	Employee benefit plans	
30.4.a	<u>Defined contribution plans</u>	
	The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised INR 19,229,377 (Year ended 31 March, 2019 INR 12,073,217) for Provident Fund contributions, and INR 3,423,671 (Year ended 31 March, 2019 INR 3,924,433) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.	
30.4.b	<u>Defined benefit plans</u>	
	The Group offers the following employee benefit schemes to its employees:	
	i. Gratuity	
	<i>Amount (Rs.)</i>	
	Particulars	Year ended 31 March, 2020
		Year ended 31 March, 2019
		Gratuity
	Components of employer's expense	Gratuity
	Current service cost	4,930,052
	Interest cost	2,753,594
	Past service cost	-
	Actuarial losses/(gains)	1,201,134
	Total expense recognised in the Statement of Profit and Loss	8,884,780
		1,631,506
		487,985
		-
		7,857,286
		9,976,777
	Actual contribution and benefit payments for the year	
	Actual benefit payments	2,240,346
		725,238
	Net asset / (liability) recognised in the Balance Sheet	
	Present value of defined benefit obligation	21,409,871
	Fair value of plan assets	9,695,583
	Funded status [Surplus / (Deficit)]	(21,490,419)
	Net asset / (liability) recognised in the Balance Sheet	(11,794,836)
		16,752,605
		-
		(16,752,605)
		(16,752,605)
	Particulars	Year ended 31 March, 2020
		Year ended 31 March, 2019
		Gratuity
	Change in defined benefit obligations (DBO) during the year	Gratuity
	Present value of DBO at beginning of the year	17,064,144
	Current service cost	4,930,052
	Interest cost	2,753,594
	Curtailment cost / (credit)	-
	Settlement cost / (credit)	-
	Plan amendments	-
	Acquisitions	-
	Actuarial (gains) / losses	1,205,717
	Past service cost	619,613
	Benefits paid	(2,886,137)
	Present value of DBO at the end of the year	23,686,983
		7,501,066
		1,631,506
		487,985
		-
		-
		-
		7,857,286
		-
		(725,238)
		16,752,605
	Change in fair value of assets during the year	
	Plan assets at beginning of the year	-
	Acquisition adjustment	-
	Expected return on plan assets	-
	Actual company contributions	100,000
	Actuarial gain / (loss)	4,583
	Benefits paid	-
	Plan assets at the end of the year	-
		654,279
		-
		(725,238)
		-
	Actual return on plan assets	4,583
		-
	Composition of the plan assets is as follows:	



Stanley Lifestyles Limited**Notes forming part of the consolidated financial statements**

Government bonds	0.00%	0.00%
PSU bonds	0.00%	0.00%
Equity mutual funds	0.00%	0.00%
Others (give details)	0.00%	0.00%
Actuarial assumptions		
Discount rate	6.56%	7.30%
Expected return on plan assets	0.00%	0.00%
Salary escalation	10.00%	10.00%
Attrition	10.00%	10.00%
Medical cost inflation	-	-
Mortality tables	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)



W

Stanley Lifestyles Limited

Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Amount (Rs.)

Note	Particulars					
	Experience adjustments					
	2019- 2020	2018- 2019	2017- 2018	2016- 2017	2015- 2016	
	Gratuity					
	Present value of DBO	(20,373,021)	(16,752,605)	(7,501,066)	(5,801,855)	(4,616,944)
	Fair value of plan assets	9,695,583	-	-	-	-
	Funded status [Surplus / (Deficit)]	(21,517,419)	(16,752,605)	(7,501,066)	(5,801,855)	(4,616,944)
	Experience gain / (loss) adjustments on plan liabilities	(347,756)	(3,150,296)	(823,757)	(600,045)	121,605
	Experience gain / (loss) adjustments on plan assets	87,583	-	-	-	0
	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.					
30.4.c	Actuarial assumptions for long-term compensated absences	For the year ended 31 March, 2020		For the year ended 31 March, 2019		
	Discount rate	6.56%		7.30%		
	Salary escalation	10.00%		10.00%		
	Attrition	10.00%		10.00%		
	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.					



Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Note	Particulars			
	Particulars	Relationship	For the year ended 31 March 2020 Amount (INR)	For the year ended 31 March 2019 Amount (INR)
30.9.b	Particulars of Transactions with Related parties during the year			
	<u>Shrasta Décor Pvt Ltd</u>	Associate company		
	Sales		-	4,435,486
	Purchases		-	112,733
	Recovery of expenses		-	444,367
	Shares issued		-	6,300,000
	Share application money pending allotment		-	-
	<u>ABS Seating Pvt. Ltd.</u>	KMP having substantial interest		
	Sales		-	67,992,436
	<u>Staras Seating Pvt. Ltd.</u>	KMP having substantial interest		
	Sales		132,309,426	145,707,548
	Purchases		-	366,724
	<u>Sass Kitchens</u>	KMP having substantial interest		
	Rental income		-	3,813,561
	Sales		-	85,127
	Purchases		-	73,819,901
	Recovery of expenses		-	1,113,704
	<u>Stanley Estates and Leisure</u>	KMP having substantial interest		
	Sales		3,258,671	-
	<u>KMPs</u>			
	<u>Sunil Suresh</u>	Key Managerial Personnel		
	Salary / Perquisites		15,120,000	16,800,000
	Sitting fees		200,000	60,000
	Royalty		12,000,000	12,000,000
	Sales		9,349,604	3,308,391
	Advance for the purchase of shares		40,591,995	40,591,995
	<u>Shubha Sunil</u>	Key Managerial Personnel		
	Salary / Perquisites		13,500,000	17,500,000
	Sitting fees		160,000	560,000
	Advance salary given		-	-
	Recovery of salary advance		-	133,875
	<u>Hanuman Kumar Sharma</u>	Key Managerial Personnel		
	Salary / Perquisites		-	9,877,595
	Issue of share capital		-	-
	Issue of shares in lieu of joining bonus		-	-
	Advance given during the year		-	-
	Sales		-	1,039,777
	Recovery of advances		-	8,926,072
	<u>Mr. Kiran Bhanu Vuppalapati</u>	Key Managerial Personnel		
	Salary / Perquisites		7,406,756	6,054,645
	Issue of shares as RSU's		-	-
	Advance given during the year		-	-
	Recovery of advances		-	20,764,214
	<u>Mr. Rajagopal Sethuraman</u>	Key Managerial Personnel		
	Salary / Perquisites		11,805,673	2,159,826



Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Note	Particulars			
30.6.b	Particulars	Account	As at	As at
			31 March 2020	31 March 2019
			Amount (INR)	Amount (INR)
	Balances outstanding as at the balance sheet date			
	Sass Kitchens	Trade receivables	6,949,160	6,949,160
	Stanley Estates and Leisure	Trade receivables	3,258,671	-
	Sunil Suresh			
	-Advance for purchase of shares		-	40,591,995
	-Sitting fees payable	Trade Payable	20,000	60,000
	-Trade receivables	Trade receivables	14,690,892	-
	Shubha Sunil			
	-Sitting fees payable	Trade Payable	20,000	60,000
	Kiran Bhanu Vuppalapati			
	-Advance receivable		-	-
	-Salary payable		-	-
	Hanuman Kumar Sharma			
	-Salary payable	Trade Payable	-	1,239,040
	Guarantees - KMP		150,000,000	150,000,000
	(Joint guarantee of Sunil Suresh and Subha Sunil)			



W

Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Amount (Rs.)

Note	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
30.7	The Company has entered into various operating lease arrangements for factory and office premises.		
	Future minimum lease payments		
	not later than one year	108,162,811	66,717,199
	later than one year and not later than five years	212,523,911	119,809,643
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss	209,891,831	112,710,024
	Future minimum sublease payments expected to be received under non-cancellable subleases	NA	NA
	Sublease payments received / receivable recognised in the Statement of Profit and Loss	-	3,813,561
30.8	Earnings per share		
	<u>Basic and diluted</u>		
	Profit / (loss) for the year attributable to the equity shareholders	76,576,363	157,405,596
	Weighted average number of equity shares	7,371,024	6,857,929
	Par value per share	10	10
	Earnings per share - Basic and diluted	10.39	22.95
30.9	Deferred tax (liabilities) / assets as on 1 April, 2019	15,606,749	10,543,051
	Addition: On account of acquisition	-	1,186,469
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	On difference between book balance and tax balance of fixed assets	(10,426,674)	(959,413)
	On expenditure deferred in the books but allowable for tax purposes	-	(8,182,137)
	Others	-	(854,269)
	Tax effect of items constituting deferred tax liabilities	(10,426,674)	(9,995,819)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	3,401,917	3,209,903
	Provision for doubtful debts / advances	3,767,723	1,825,264
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	6,001,817	1,115,681
	On difference between book balance and tax balance of fixed assets	2,065,031	3,235,334
	Brought forward business losses	(1)	4,486,867
	Others	1,631,00	-
	Tax effect of items constituting deferred tax assets	15,238,118	13,873,048
	Deferred tax (liabilities) / assets (net) as on 31 March, 2020	4,811,444	15,606,749



WJ

Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30 Additional information to the consolidated financial statements

Amount (Ls.)

30.10 Details of provisions				
The Group has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:				
Particulars	As at 1 April, 2019	Additions	Utilisation/Reversed	As at 31 March, 2020
Provision for warranty	3,000,000	-	1,352,395	1,647,605
	-	(44,86,748)	(14,86,748)	(30,00,000)
Total	3,000,000	-	1,352,395	1,647,605
	-	(44,86,748)	(14,86,748)	(30,00,000)
Note: Figures in brackets relate to the previous year.				
Of the above, the following amounts				
Particulars	As at 31 March, 2020	As at 31 March, 2019		
Provision for warranty	1,647,605	3,000,000		



w

Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements

Note 30. Additional information to the consolidated financial statements

30.11 Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statement' of Division II of Schedule III.

31 March 2020

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount (₹.)	As % of consolidated profit	Amount (₹.)
Parent				
Stanley Lifestyles Limited	94.93%	1,878,332,287	108.42%	83,022,568
Indian Subsidiaries				
Stanley Retail Limited	5.73%	113,279,682	3.70%	2,335,081
Stanley OEM Sofas Limited	0.65%	12,842,397	-5.02%	(3,840,525)
Stanley Automotive Leather Trims Limited	0.00%	90,780	0.00%	-
Sana Lifestyles Limited	0.83%	16,510,412	4.38%	3,352,622
Shrasta Décor Private Limited	2.95%	58,320,764	12.86%	9,846,321
Scheek Home Interiors Limited	-0.77%	(15,312,267)	-0.02%	(16,755)
ABS Seating Private Limited	1.33%	26,368,398	7.70%	5,893,148
Staras Seating Private Limited (w.e.f 01.06.2019)	2.91%	57,573,410	-9.31%	(7,515,866)
Subtotal	108.56%	2,148,005,863	122.20%	93,576,594
Adjustments arising out of consolidation	-10.76%	(212,881,261)	-12.26%	(9,386,494)
Minority interest	2.20%	43,431,330	-9.94%	(7,613,738)
Total	100%	1,978,555,931	100%	76,576,363

31 March 2019

Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount (₹.)	As % of consolidated profit	Amount (₹.)
Parent				
Stanley Lifestyles Limited	97.08%	1,848,626,678	96.33%	152,421,405
Indian Subsidiaries				
Stanley Retail Limited	5.80%	110,444,601	10.06%	15,842,100
Stanley OEM Sofas Limited	0.88%	16,682,921	-6.37%	(10,021,015)
Stanley Automotive Leather Trims Limited	0.00%	90,780	0.00%	-
Sana Lifestyles Limited	0.69%	13,157,791	4.00%	6,288,566
Shrasta Décor Private Limited (w.e.f. 09 May 2018)	2.55%	48,474,443	1.53%	2,409,117
Scheek Home Interiors Limited	-0.80%	(15,295,513)	-0.62%	(979,113)
ABS Seating Private Limited	1.08%	20,475,250	1.63%	2,564,665
Subtotal	107.27%	2,042,656,951	107.06%	168,525,725
Adjustments arising out of consolidation	-9.15%	(174,223,086)	-3.72%	(5,861,100)
Shrasta Décor Private Limited (Upto 08 May 2018)	-	-	-0.40%	(633,878)
Minority interest	1.88%	35,817,591	-2.94%	(4,625,150)
Total	100%	1,904,251,456	100%	157,405,596

30.12 During the previous year, based on a technical and other evaluation the Company has revised the estimated useful life for certain category of property plant and equipment. The details of previously applied useful life and the revised useful life are as follows:

Category	Previous useful life	Revised useful life
Leasehold improvements	30 years	Term of the lease
Electrical equipment	15 years	10 years
Computers	6 years	3 years

Consequent to this change, depreciation for the year is higher by Rs. 5,854,174 and the carrying value of property, plant and equipment as at March 31, 2019 is lower to that extent.

30.13 During the year, a search was conducted at various premises of the Company by the Income Tax Department under section 132 of Income Tax Act, 1961. The Company has till date not received any notice under section 153 A of the Income Tax Act, 1961 for block assessment subsequent to the search. The panchanamas : recorded statements alleged mainly that the Company had recorded certain purchases that were not supported by proper underlying documents. The Company believes that it has followed all applicable laws in letter and spirit and will be rigorously defending any claims on it. Accordingly, no provision for additional income tax, if any, is made in these financial statements.

30.14 The rapid outbreak of covid-19 pandemic presents alarming health crisis and its impacts are unfolding in real time. As a result of lockdown by Government of India, the Company's offices, factory and showrooms were temporarily closed from March 21, 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.

30.15 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 financial statements.

For and on behalf of the Board of Directors

Sunil Suresh
Director
DIN: 04491517

Sunil Sunil
Director
DIN: 01363687

Rajagopal Sethuraman
Group CFO

Jitish Bansal
Company Secretary
M.No. 29149

Place: Bangalore
Date: December 30, 2020.

