

Deloitte Haskins & Sells LLP

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls 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 31st March, 2021, 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 ("the 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 issued by the ICAI 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 audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Deloitte Haskins & Sells LLP

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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 two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

4

Deloitte Haskins & Sells LLP

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)



Monisha Parikh
(Partner)
(Membership No. 47840)
(UDIN: 22047840AEBIZF9191)

Place: Bengaluru
Date: March 3, 2022

STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Consolidated Balance Sheet as at 31 March 2021

(All amounts in Rupees unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
A) EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3.b	7,37,10,240	7,37,10,240
(b) Reserves and surplus	4	1,88,89,01,280	1,81,79,91,448
		1,96,26,11,520	1,89,17,01,688
2 Minority Interest			
	5	5,62,00,629	4,34,22,911
3 Non-current liabilities			
(a) Long-term borrowings	6	15,74,793	20,41,473
(b) Long-term provisions	7	1,32,05,441	57,08,292
		1,47,80,234	77,49,765
4 Current liabilities			
(a) Short term borrowings	8	5,28,346	6,83,07,179
(b) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises; and		58,21,850	65,44,898
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		42,34,73,250	30,67,84,146
(c) Other current liabilities	10	21,00,45,479	17,41,96,020
(d) Short-term provisions	11	3,42,48,167	1,42,10,895
		67,41,17,092	57,00,43,138
Total		2,70,77,09,475	2,51,29,17,502
B) ASSETS			
1 Non-current assets			
(a) Property, plant & equipment			
- Tangible assets	12A	36,62,90,132	34,70,45,209
- Intangible assets	12B	87,28,923	93,45,069
(b) Goodwill on consolidation	12C	2,55,69,705	2,55,69,705
(c) Deferred tax assets (net)	30.9	1,79,99,704	48,11,444
(d) Long-term loans and advances	13	17,87,14,509	20,13,42,295
		59,73,02,973	58,81,13,722
2 Current assets			
(a) Inventories	14	95,30,31,928	86,55,56,166
(b) Trade receivables	15	15,84,48,571	12,44,00,653
(c) Cash and cash equivalents	16	86,53,20,258	84,31,42,489
(d) Short-term loans and advances	17	12,69,13,939	8,25,89,887
(e) Other current assets	18	66,91,806	91,14,585
		2,11,04,06,502	1,92,48,03,780
Total		2,70,77,09,475	2,51,29,17,502
See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Monisha Parikh

Monisha Parikh

Partner

Membership No.47840

Place : Bangalore

Date :03-03-2022



For and on behalf of the Board of Directors

Sunil Suresh
Sunil Suresh
Director

DIN : 01421517

Shubha Sunil
Shubha Sunil
Director

DIN : 01363687

Place : Bangalore

Date :03-03-2022

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

Particulars	Note No.	For the Year ended 31 March 2021	For the Year ended 31 March 2020
1 Revenue from operations	19	1,95,77,89,499	2,06,31,83,097
2 Other income	20	5,27,96,362	5,80,62,849
Total Income		2,01,05,85,861	2,12,12,45,946
3 Expenses			
(a) Cost of materials consumed	21	90,19,85,543	90,74,57,628
(b) Purchases of stock-in-trade	22	5,28,02,580	5,77,07,836
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	2,03,56,310	6,65,20,771
(d) Employee benefits expense	24	26,02,82,720	35,07,66,167
(e) Finance costs	25	90,55,198	7,23,543
(f) Depreciation and amortisation expense	26	5,54,76,170	4,47,39,821
(g) Other expenses	27	56,31,71,445	55,82,52,193
Total expenses		1,86,31,29,966	1,98,61,67,959
4 Profit for the year		14,74,55,895	13,50,77,987
5 Tax expense:			
(a) Current tax expense		4,85,96,584	3,81,09,958
(b) Current tax expense of earlier years		2,83,13,875	30,12,203
(c) Deferred tax charge/ (credit)	30.9	(1,31,88,259)	97,88,388
6 Profit after tax before share of loss from associate and minority interest		8,37,33,695	8,41,67,438
Share of (loss) from associate		-	-
7 Profit after tax before minority interest		8,37,33,695	8,41,67,438
Share of profit/(loss) attributable to minority interest (net)		1,27,77,718	76,05,320
8 Profit/ (Loss) after tax attributable to the share holders of the Company		7,09,55,977	7,65,62,118
8 Earnings per share (EPS)			
Basic and diluted (nominal value of Rs. 10 per share)	30.8	11.33	10.39
See accompanying notes forming part of the financial statements	1-30		

In terms of our report attached

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

Monisha Parikh

Monisha Parikh
Partner
Membership No.47840

Place : Bangalore
Date :03-03-2022



For and On behalf of the Board of Directors

Samil Suresh
Samil Suresh
Director
DIN : 01421517

Shubha Sunil
Shubha Sunil
Director
DIN : 01363687

Place : Bangalore
Date :03-03-2022

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Consolidated Cash Flow Statement for the year ended 31 March 2021
(All amounts in Rupees unless otherwise stated)

Particulars	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
Cash flow from operating activities:		
Net profit before tax	14,74,55,895	13,51,00,651
Adjustment for		
Depreciation, amortization and impairment provision	5,54,76,170	4,47,39,821
Bad debts and Provision for doubtful debts	40,59,157	98,43,701
Interest income	(3,95,67,361)	(5,05,08,086)
Net Gain on foreign currency transactions and translation	(32,01,476)	5,15,632
Liabilities no longer required written back	(49,85,674)	(23,91,695)
Provisions for Warranty or write back of provision for warranty	35,219	(7,29,883)
Profit from sale of business	-	(1,09,216)
Loss on write-off/ disposal of property, plant & equipment (net)	3,44,32,150	6,96,960
Finance Cost	90,55,197	7,23,543
Operating profit/(loss) before working capital changes	20,27,59,277	13,78,81,428
Changes in working capital:		
Increase in trade payables	12,41,53,206	3,00,22,913
Increase in other current liabilities	3,58,49,459	4,96,30,100
(Increase) in Inventories	(8,74,75,762)	(2,73,31,274)
(Increase) / Decrease in trade receivables	(3,81,07,075)	1,36,20,278
(Increase) in short term loans and advances	(4,43,24,052)	(1,19,62,807)
Decrease / (Increase) in short term provisions	2,00,02,053	(2,48,03,657)
Decrease / (Increase) in long term provisions	74,97,149	(1,20,93,699)
Decrease in other current assets	24,22,779	28,39,796
Decrease / (Increase) in long term loans and advances	2,35,27,783	(1,73,31,703)
Cash generated from operations	24,63,04,817	14,04,71,375
Less: Income tax paid	(7,69,10,459)	(3,97,88,070)
Net cash flows from Operation activities	16,93,94,358	10,06,83,305
Cash Flows From Investing Activities:		
Expenditure on property, plant & equipment and Intangible assets	(11,17,31,039)	(15,56,33,484)
Proceeds from sale of fixed assets	31,93,940	18,45,717
Loans given to subsidiary	-	5,45,705
Redemption of fixed deposits with maturity more than 3 months	-	1,48,27,332
Deposits with maturity within twelve months from reporting date	31,71,588	(24,40,44,296)
Profit from sale of business	-	1,09,216
Advance for purchase of investments	(9,00,000)	(60,00,000)
Interest income	3,95,67,361	4,13,58,752
Net cash flows from investing activities	(6,66,98,150)	(34,69,91,058)
Cash Flows From Financing Activities :		
(Decrease) / Increase in long term borrowings	(4,66,680)	9,72,121
(Decrease) / Increase in short term borrowings	(6,77,78,833)	6,83,07,179
Dividend and dividend tax paid	-	(5,33,16,958)
Finance cost	(91,01,338)	(6,53,445)
Net Cash from financing activities	(7,73,46,851)	1,53,08,897
Net Increase in cash and cash equivalents	2,53,49,357	(23,09,98,856)
Cash and cash equivalents at beginning of the year	10,13,83,834	32,20,37,907
Add: Included on acquisition of subsidiaries	-	1,03,44,783
Cash and cash equivalents at end of the year	12,67,33,191	10,13,83,834



Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	For the Year ended 31 March, 2021	For the Year ended 31 March, 2020
Cash and cash equivalents (Refer Note 17)	86,53,20,258	84,31,42,489
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	73,85,87,067	74,17,58,654
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	12,67,33,191	10,13,83,834

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



Monisha Parikh

Partner

Membership No.47840

Place : Bangalore

Date :03-03-2022



for and on behalf of the Board of Directors



Sunil Suresh

Director

DIN : 01421517

Place : Bangalore

Date :03-03-2022



Shubha Sunil

Director

DIN : 01363687

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

Note No	Particulars	As at 31 March 2021		As at 31 March 2020	
		No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
3	Share Capital				
	Authorised Capital	75,00,000	7,50,00,000	75,00,000	7,50,00,000
	Issued, subscribed and fully paid - up share capital	73,71,024	7,37,10,240	73,71,024	7,37,10,240
	Total	73,71,024	7,37,10,240	73,71,024	7,37,10,240

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

Particulars	As at 31 March 2021	As at 31 March 2020
Shares outstanding at the beginning of the year	73,71,024	73,71,024
Shares issued during the year	-	-
Shares outstanding at the end of the year	73,71,024	73,71,024

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No of shares	% Holding	No of shares	% Holding
Sunil Suresh	24,82,221	33.68%	24,82,221	33.68%
Shubha Sunil	24,82,219	33.68%	24,82,219	33.68%
Oman India Joint Investment Fund II	19,80,162	26.86%	19,80,162	26.86%
Total	69,44,602	94.21%	69,44,602	94.21%

(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.

(d) For the period of five years immediately preceding the Balance Sheet date, there are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash or shares allotted as fully paid up by way of bonus shares or shares bought back.

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

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

Note 12A: Property, plant & equipment

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION		IMPAIRMENT		NET BLOCK			
	As at 01-Apr-20	On acquisition of subsidiaries (refer note 3.a)	As at 31-Mar-21	As at 01-Apr-20	Disposals/ Adjustments for the year (refer note below)	As at 31-Mar-21	As at 01-Apr-20	Recognised during the year	As at 31-Mar-21	As at 31-Mar-20
Tangible assets (owned)										
Leasehold improvements	21,16,98,629	-	29,02,46,466	6,00,56,311	2,77,00,064	1,68,70,439	7,08,85,936	8,33,089	8,33,089	21,85,27,440
Plant & machinery	13,96,06,393	-	14,07,83,300	3,75,63,360	1,27,39,677	-63,37,573	5,66,40,610	-	-	8,41,44,689
Electrical equipments	5,90,59,592	-	3,92,46,373	1,90,60,102	31,65,907	90,64,998	1,31,61,011	-	-	2,60,85,361
Furniture & fixtures	5,26,81,323	-	3,06,04,345	3,08,09,961	18,20,949	1,40,49,491	1,85,81,419	21,54,001	21,54,001	4,00,39,490
Office equipment	2,64,36,569	-	2,46,86,655	1,63,86,892	24,29,157	38,05,624	1,49,10,425	9,91,036	9,91,036	1,97,17,361
Computers	1,79,11,392	-	1,39,20,228	1,43,85,198	23,55,172	69,04,777	98,53,993	6,550	6,550	87,85,193
Motor vehicles	3,78,26,052	-	3,01,67,386	1,60,18,946	35,13,488	42,14,988	1,53,17,456	49,295	49,295	40,77,684
Total	54,52,59,950	-	56,96,56,953	19,41,80,770	5,37,24,824	4,85,72,144	19,93,92,850	40,33,971	40,33,971	36,62,90,125

Note 12B: Intangible assets

Particulars	GROSS BLOCK		ACCUMULATED AMORTISATION		IMPAIRMENT		NET BLOCK			
	As at 01-Apr-20	On acquisition of subsidiaries (refer note 3.a)	As at 31-Mar-21	As at 01-Apr-20	Disposals/ Adjustments for the year (refer note below)	As at 31-Mar-21	As at 01-Apr-20	Recognised during the year	As at 31-Mar-21	As at 31-Mar-20
Intangible assets										
Acquired software	1,10,72,767	-	1,21,86,367	17,27,697	17,51,346	21,600	34,57,443	-	-	87,28,923
Acquired goodwill	1,10,72,767	-	1,21,86,367	17,27,697	17,51,346	21,600	34,57,443	-	-	87,28,923
Total	2,21,45,534	-	2,43,72,734	34,55,394	35,02,692	43,200	69,151,886	-	-	1,74,57,846

Note 12C: Goodwill on consolidation

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	Disposals/ Adjustments for the year (refer note below)	As at 31-Mar-20	As at 01-Apr-19	Recognised during the year	As at 31-Mar-20	As at 31-Mar-19
Tangible assets (owned)										
Leasehold improvements	14,43,95,999	-	21,16,98,629	4,04,25,184	2,00,80,938	4,49,811	6,00,56,311	8,33,089	8,33,089	15,08,09,229
Plant & machinery	10,53,11,965	-	13,96,06,393	2,67,95,600	1,07,69,760	-	3,75,63,360	-	-	10,20,43,033
Electrical equipments	5,34,38,038	-	3,90,59,592	1,49,11,295	27,25,879	2,18,449	1,90,60,102	-	-	4,00,39,490
Furniture & fixtures	3,57,77,673	-	3,26,81,323	1,89,96,754	1,03,18,992	15,05,349	3,08,09,961	21,54,001	21,54,001	1,97,17,361
Office equipment	1,74,47,646	-	2,64,36,569	1,04,34,681	35,06,989	24,47,526	1,23,304	9,91,036	9,91,036	1,46,26,918
Computers	1,37,57,536	-	1,79,11,392	1,13,88,085	6,99,617	24,43,344	1,43,85,198	6,550	6,550	60,01,929
Motor vehicles	3,81,84,900	-	3,78,26,052	3,78,26,052	37,59,219	-	1,60,18,946	49,295	49,295	23,62,901
Total	40,53,13,759	-	54,52,59,950	13,52,29,326	4,37,32,015	9,47,546	19,41,80,770	40,33,971	40,33,971	34,70,45,209

Note 12C: Goodwill on consolidation

Particulars	GROSS BLOCK		ACCUMULATED AMORTISATION		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	Disposals/ Adjustments for the year (refer note below)	As at 31-Mar-20	As at 01-Apr-19	Recognised during the year	As at 31-Mar-20	As at 31-Mar-19
Intangible assets										
Acquired software	54,59,324	-	1,10,72,767	7,19,892	10,07,805	-	17,27,697	-	-	93,45,069
Acquired goodwill	34,00,000	-	34,00,000	34,00,000	34,00,000	-	34,00,000	-	-	47,39,333
Total	88,59,324	-	1,44,72,767	41,19,892	14,07,805	-	51,27,697	-	-	1,40,84,402

Note 12C: Goodwill on consolidation

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	2,55,69,705	12,73,982
Additions during the year (refer note 3)	-	2,42,95,723
Less: Written off during the year	-	-
Closing balance	2,55,69,705	12,73,982

Note:

- Under Gross block, Disposals/ Adjustments includes reclassification of assets on account of physical verification conducted by the Company during the year ended 31 March 2021, for Leasehold improvements: Rs. 53,551,973, for Plant and machinery: Rs. 7,667,870, for electrical equipments: Rs. 26,404,073, for Furniture & fixtures: Rs. 11,827,639, for Office equipment: Rs. 4,384,331, for Computers: Rs. 5,778,406 and for Vehicles: Rs. 1,425,423 (during the year ended 31 March 2020: Rs. Nil)

- Under Accumulated Depreciation, Disposals/ Adjustments includes reclassification of assets on account of physical verification conducted by the Company during the year ended 31 March 2021, for Leasehold improvements: Rs. 15,191,570, for Plant and machinery: Rs. 6,337,573, for electrical equipments: Rs. 9,064,998, for Furniture & fixtures: Rs. 4,896,383, for Office equipment: Rs. 3,750,423, for Computers: Rs. 6,754,384 and for Vehicles: Rs. 1,199,540 (during the year ended 31 March 2020: Rs. Nil)



STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

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

Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
3.b	Share Capital		
	Authorised Capital		
	Equity Share Capital (7,500,000 Equity shares at Rs. 10/- each)	7,50,00,000	7,50,00,000
	Authorised Capital	7,50,00,000	7,50,00,000
	Issued, Subscribed and fully paid - up Share Capital (7,371,024 Equity shares at Rs. 10/- each)	7,37,10,240	7,37,10,240
	Issued, Subscribed and fully paid - up Share Capital	7,37,10,240	7,37,10,240
4	Reserves and surplus		
(a)	Securities premium account		
	Opening balance	1,16,27,28,643	1,16,27,28,643
	Closing balance	1,16,27,28,643	1,16,27,28,643
(b)	Capital reserve on consolidation		
	Opening balance	-	2,58,108
	Closing balance	-	2,58,108
(c)	Surplus in Statement of profit and loss		
	Opening balance	77,01,56,044	63,17,36,872
	Add: Profit for the year	7,09,55,977	7,65,62,118
	Less: Dividend paid	-	(4,42,26,144)
	Less: Tax on dividends paid	-	(90,90,814)
	Less: Tax adjustment	(55,368)	(10,10,551)
	Closing balance	72,61,72,637	65,39,71,481
	Total	1,88,89,01,280	1,81,69,58,232
5	Minority Interest		
	Sana Lifestyles Limited (37.15%)		
	Share in Equity	3,71,500	3,71,500
	Share in profit	82,89,764	57,53,978
	Scheek homes interior limited (1%)		
	Share in Equity	5,000	5,000
	Share in loss	(1,00,209)	(1,00,209)
	Shrasta Décor Private Limited (44.05%)		
	Share in Equity	2,11,00,000	2,11,00,000
	Share in profit	80,46,456	44,78,965
	ABS Seating Private Limited (33%)		
	Share in Equity	9,78,120	9,78,120
	Share in profit	1,38,57,311	77,25,891
	Stanley Retail Limited (3.04%)		
	Share in Equity	12,56,160	12,56,160
	Share in profit	23,96,527	18,53,506
	Total	5,62,00,629	4,34,22,911
6	Long-term borrowings		
	Secured		
	Term loans from banks (refer note below)		
	- Financial institutions	15,74,793	20,32,253
	- Banks	-	-
	Unsecured		
	-Related parties	-	-
	-Others	-	9,220
	Total	15,74,793	20,41,473



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

Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
	Note: Terms of repayment and security		
	From Banks		
	Long term loans	-	-
	Current maturities of long term debt	4,22,878	12,07,628
	Hypothecation of vehicles procured from the term loan. Rate of interest: 9.55% p.a, repayable in 60 monthly installments. The outstanding instalments as at 31 March 2021 are 6 installments (31 March 2020: 18 installments).		
	From Financial institutions		
	Long term loans	15,74,793	-
	Current maturities of long term debt	4,57,462	78,838
	Hypothecation of vehicles procured from the term loan. Rate of interest: 8.00%-8.74% p.a, repayable in 36 & 60 monthly installments. The outstanding instalments as at 31 March, 2021 are 47 installments (31 March 2020: 61 installments).		
	Total - (A)	24,55,133	12,86,466
	Less: Longterm borrowings as per note 6 - (B)	15,74,793	-
	Current maturities of long term debt (A-B)	8,80,340	12,86,466
7	Long-term provisions		
	Provision for gratuity (refer note 30.4)	78,72,764	37,23,943
	Provision for compensated absences (refer note 30.4)	53,32,677	19,84,349
	Total	1,32,05,441	57,08,292
8	Short term borrowings		
	Secured		
	From a Bank	5,28,346	6,83,07,179
	Hypothecation of the entire stock of raw materials, spares, finished goods, receivables and other current assets (present and future) on pari passu basis.		
	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	5,28,346	6,83,07,179
9	Trade payables (refer note below)		
	Dues of micro enterprises and small enterprises	58,21,850	65,44,898
	Dues of creditors other than micro enterprises and small enterprises	42,34,73,250	30,67,84,146
	Total	42,92,95,100	31,33,29,044
	Note:		
	Trade payable		
	- to Related parties (refer note 30.6)	12,29,888	5,09,250
	- to others	42,80,65,212	31,28,19,794
10	Other current liabilities		
	Current maturities of long term debt (refer note 6)	8,80,340	24,80,948
	Other payables:		
	Advances from customers (refer note below)	17,85,91,118	15,67,84,826
	Statutory remittances	3,01,27,353	1,43,83,556
	Dealer deposits	4,46,668	5,46,690
	Total	21,00,45,479	17,41,96,020
	Note:		
	Advances from customers:		
	- Related parties (refer note 30.6)	-	1,38,53,217
	- Others	17,85,91,118	14,29,31,609
11	Short-term provisions		
	Provision for employee benefits		
	Provision for gratuity (refer note 30.4)	66,27,679	1,08,87,070
	Provision for compensated absences	6,63,907	2,52,608
	Provision for warranty (refer note 30.10)	16,82,824	16,47,605
	Provision for tax (net of Advance tax of Rs. 13,992,865/- (31 March 2020: Rs. 79,200,648/-))	2,52,73,757	14,23,612
	Total	3,42,48,167	1,42,10,895



STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

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

Note No.	Particulars	As at 31 March 2021	As at 31 March 2020
13	Long-term loans and advances		
	Security deposits		
	-Unsecured, considered good	13,35,79,632	14,56,41,968
	-Unsecured, considered doubtful	12,59,230	25,18,045
	Less: Provision for doubtful security deposits	(12,59,230)	(25,18,045)
		13,35,79,632	14,56,41,968
	<i>(Unsecured, considered good)</i>		
	Minimum alternate tax credit entitlement (Refer Note below)	-	24,18,314
	Loans and advances	84,00,000	75,00,000
	Dues paid under protest	66,28,361	33,28,361
	Capital advances	45,000	66,46,548
	Balances with government authorities	1,55,71,112	54,97,057
	Advance income tax (net of provision for income tax of Rs 15,503,300 (previous year: Rs. 40,903,128))	1,44,17,395	3,02,48,323
	Prepaid insurance	73,009	61,724
	Total	17,87,14,509	20,13,42,295
	Note		
	Minimum alternate tax credit entitlement movement		
	Opening balance	24,18,314	31,05,591
	Add: MAT availed during return filing	-	3,23,279
	Less: MAT utilised during return filing	2,23,212	-
	Less: MAT utilised during the year	21,95,102	10,10,556
	Closing balance	-	24,18,314
14	Inventories		
	<i>(lower of cost and net realisable value)</i>		
	Raw materials (including Goods in transit of Rs 90,404,333 (previous year: Rs. 54,464,176))	42,88,75,322	32,10,43,251
	Work in progress	3,65,32,509	3,89,36,733
	Stock-in-trade	49,78,13,552	49,77,77,641
	Finished goods	1,73,24,063	3,13,35,251
	Less: Unrealized profits	(2,75,13,518)	(2,35,36,710)
	Total	95,30,31,928	86,55,56,166
15	Trade receivables (refer note below)		
	Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
	- Unsecured, considered good	3,47,14,566	3,55,54,842
	Other Trade receivables		
	- Unsecured, considered good	12,37,34,005	8,88,45,811
	- Unsecured, considered doubtful	1,45,26,911	1,50,10,826
	Less: Provision for Doubtful debts	(1,45,26,911)	(1,50,10,826)
		-	-
	Total	15,84,48,571	12,44,00,653
	Note:		
	Trade receivables		
	- to Related parties (refer note 30.6)	2,11,90,741	2,01,61,422
	- to others	13,72,57,830	10,42,39,231
16	Cash and cash equivalents		
	Cash in hand	22,40,052	18,09,113
	Cheques in hand	24,43,599	3,68,927
	Balance with banks:		
	- Current accounts	11,65,31,175	7,55,17,882
	- in deposit accounts (original maturity of less than 3 months)	55,18,365	2,36,87,912
	Total	12,67,33,191	10,13,83,834
	Other bank balances		
	Fixed deposits with original maturity less than equal to twelve months	72,25,22,878	72,55,70,921
	-in earmarked accounts (balance held as margin money)	1,60,64,189	1,61,87,734
	Total	86,53,20,258	84,31,42,489
17	Short-term loans and advances		
	<i>(Unsecured, considered good)</i>		
	Advances to suppliers (refer note below)	7,86,21,363	5,83,12,393
	Security Deposits	1,86,71,550	-
	Balances with government authorities	2,56,24,536	1,86,69,076
	Prepaid expenses	18,91,215	14,98,849
	Advances to employees	1,24,007	1,78,861
	Other advances	19,81,268	39,30,709
	Total	12,69,13,939	8,25,89,887
	Note:		
	Advances from customers:		
	- Related parties (refer note 30.6)	4,19,315	2,425
	- Others	7,82,02,048	5,83,09,968
18	Other current assets		
	<i>(Unsecured, considered good)</i>		
	Other receivables		
	- Interest Accrued on Fixed Deposits	66,91,806	91,14,585
	Total	66,91,806	91,14,585



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

Note No.	Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
19	Revenue from operations		
	Sale of products		
	Manufactured goods	43,40,42,108	64,83,28,819
	Raw materials	19,63,48,122	11,72,07,353
	Traded goods	1,32,21,94,306	1,29,52,95,132
	Other operating revenues	52,04,963	23,51,793
	Total	1,95,77,89,499	2,06,31,83,097
	Note: The Company operates in one category, namely manufacture and trading of automotive seating covers, furniture, fixtures, accessories and leather hides.		
20	Other income		
	Net Gain on foreign currency transactions and translation	32,01,476	8,78,540
	Interest income	3,95,67,361	5,05,08,086
	Liabilities no longer required written back	49,85,674	24,87,863
	Provisions for Warranty written back	-	7,29,883
	Profit from sale of business	-	1,09,216
	Shifting charges recovered	50,00,000	-
	Other income	41,850	33,49,262
	Total	5,27,96,361	5,80,62,850
21	Cost of materials consumed		
	Opening Stock	32,10,43,251	28,20,91,718
	Purchases		
	Raw-materials	1,00,98,17,614	94,64,09,161
	Less: Closing Stock	42,88,75,322	32,10,43,251
		90,19,85,543	90,74,57,628
22	Purchases of Stock-in-Trade		
	Purchases	5,28,02,580	5,77,07,836
	Total	5,28,02,580	5,77,07,836
	Note: The purchases fall under one category, namely furniture, fixtures accessories and leather hides.		
23	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
	Traded goods		
	Opening Stock	49,77,77,641	16,93,95,378
	Add: Included on acquisition of subsidiaries	-	5,49,00,510
	Closing Stock	49,78,13,552	49,77,77,641
	Increase/(Decrease) in traded goods	(35,911)	(27,34,81,753)
	Work in progress		
	Opening stock	3,89,36,733	6,06,38,938
	Closing stock	3,65,32,509	3,89,36,733
	Increase/(Decrease) in work in progress	24,04,224	2,17,02,205
	Manufactured goods		
	Opening stock	3,13,35,252	32,60,98,860
	Closing stock	1,73,24,063	3,13,35,251
	Increase/(Decrease) in manufactured goods	1,40,11,189	29,47,63,609
	Less: Unrealized profits	(39,76,809)	(2,35,36,710)
		2,03,56,311	6,65,20,771



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

Note No.	Particulars	For the Year ended 31 March 2021	For the Year ended 31 March 2020
24	Employee benefits expense		
	Salaries and wages	23,51,98,097	30,67,83,356
	Contribution to provident and other funds	1,37,94,196	2,15,86,750
	Gratuity expense (refer note 30.7)	31,72,707	95,04,392
	Staff welfare expenses	81,17,721	1,28,91,669
	Total	26,02,82,721	35,07,66,167
25	Finance costs		
	Interest on borrowings	79,47,201	4,59,720
	Interest on income-tax	11,07,996	2,63,823
	Total	90,55,197	7,23,543
26	Depreciation and amortisation expense		
	Depreciation on tangible assets (Refer note 12A)	5,37,24,824	4,45,39,320
	Amortisation expense on intangible assets (Refer note 12B)	17,51,346	2,00,501
	Total	5,54,76,170	4,47,39,821
27	Other expenses		
	Advertisement and business promotion	8,63,95,422	9,23,11,402
	Rent including lease rentals (Refer Note 30.7)	17,95,06,014	20,98,91,831
	Royalty expense	1,22,22,223	1,50,55,359
	Repairs and Maintenance		
	-Plant and machinery	57,33,267	38,10,071
	-Leasehold facilities	1,45,99,951	1,24,43,478
	-Others	1,16,28,234	1,03,04,370
	Carriage outwards	3,14,37,917	3,21,82,592
	Travelling and conveyance	48,51,600	1,37,26,821
	Commission	1,11,86,480	88,74,934
	IT Expenses	16,91,000	-
	Bad Trade receivables written off	26,86,888	31,82,782
	Provision for doubtful debts	13,72,269	66,60,919
	Power and fuel	2,66,23,455	3,08,29,733
	Legal and professional charges (refer note below)	1,03,54,675	1,94,06,686
	Security charges	66,54,458	77,68,280
	Rates and taxes	42,34,008	36,82,157
	Printing and stationery	3,85,121	17,35,121
	Expenditure on Corporate Social Responsibility (CSR)	48,59,723	45,40,000
	Insurance expenses	48,91,825	43,15,659
	Loss on write-off/ disposal of property, plant & equipment (net)	3,44,32,150	6,96,960
	Communication expenses	26,66,260	20,59,855
	Warranty cost (Refer note 30.10)	35,219	-
	Job work charges	8,10,06,298	3,78,19,846
	Bank charges	1,01,60,455	1,20,78,518
	Director sitting fees	6,00,000	10,40,000
	Miscellaneous expenses	1,29,56,534	2,38,34,820
	Total	56,31,71,446	55,82,52,194
Note:			
	Payment to auditors (included under legal and professional charges)		
	- Statutory audit (net of taxes)	24,00,000	24,00,000
	- Others	-	-
		24,00,000	24,00,000
	Payment to auditors of subsidiaries (included under legal and professional charges)		
	- Statutory audit (net of taxes)	3,80,000	3,80,000
	- Others	1,00,000	1,00,000
		4,80,000	4,80,000



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 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:

- 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 2021.
- 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.
- 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.
- 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, when 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 entities. Goodwill arising on consolidation is not amortised but tested for impairment on annual basis.
- 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. No 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.
- 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 2021 held by	% ownership held either directly or through subsidiaries	
						As at 31 March 2021	As at 31 March 2020
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	ABS Seating Private Limited (ABS)		Subsidiary	India	SLL	67.00%	67.00%
4	Scheek Home Interiors Limited (Scheek)		Subsidiary	India	SRL	99.00%	99.00%
5	Shrasta Decor Private Limited (Shrasta)		Subsidiary	India	SRL	55.95%	55.95%
6	Sana Lifestyles Limited (Sana)		Subsidiary	India	SRL	62.85%	62.85%
7	Staras Seating Private Limited (Staras)	a	Subsidiary	India	SRL	100.00%	100.00%

Note

- (a) During the previous year, the Group has acquired the following entity:

Staras Seating Private Limited: 100% shareholding for a total consideration of Rs. 89,385,000 and effective date of acquisition is 1 June 2019.



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.



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:

<u>Asset category</u>	<u>Useful Life</u>
Acquired Computer Software	6 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.



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

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



2. Significant accounting policies

Defined benefits plans

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

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.



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.



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.



Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2021

Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars		
30.1	Contingent liabilities and commitments (to the extent not provided for)		
	Particulars	As at 31 March, 2021	As at 31 March, 2020
(i)	Contingent liabilities		
	(a) Atria mall case (refer note 1 below)	2,63,37,132	2,63,37,132
	(b) Income tax towards deemed dividend for loans to subsidiaries (refer note 2 below)	2,98,08,447	2,98,08,447
	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.		
	Note 2: An order u/s.201(1) & 201A of Income Tax Act, 1961 has been received invoking provision u/s.2(22)(c) of Income Tax Act, 1961 treating intercompany transaction as a deemed dividend. The demand is Rs. 33,136,808 and the Company has appealed against the same by remitting 20% i.e., Rs. 6,627,361 under dispute. Subsequent to year end, the appeal has been allowed in the favor of the Company.		
	Particulars	As at 31 March, 2021	As at 31 March, 2020
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible and Intangible assets	1,06,200	54,93,774
30.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
	Particulars	As at 31 March, 2021	As at 31 March, 2020
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	58,21,614	65,44,898
	(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.		

Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars			
30.3	Details on derivative instruments and unhedged foreign currency exposures			
	I. The following derivative positions are open as at 31 March, 2021. These transactions have been undertaken to act as economic hedges for the 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, 2021			
	Currency	Amount	Buy / Sell	Cross currency
	USD	\$ -	Buy	Rupees
	USD	\$ -	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, 2021		As at 31 March, 2020	
	Advance to suppliers/ (Payable)	Advance to suppliers/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
	-	-	667	AED 33
	-	-	3,00,816	AUD 6500
	7,27,521	GBP 7,208	-	-
	2,05,34,393	USD 278,201	3,13,39,036	USD 415,732
	16,43,130	NOK 191,526	-	-
	3,13,94,126	EURO 368,130	1,01,09,703	EURO 121,684
	-13,42,320	(Yen 2,016,000)	-13,42,340	(YEN 1,914,592)
	-5,94,36,243	(USD 810,044)	-5,92,69,071	(USD 786,397)
	-3,40,56,570	(EURO 395,406)	-3,71,02,879	(EURO 450,245)



Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
30.4	Employee benefit plans		
30.4.a	Defined contribution plans 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 Rs. 12,630,684 (Year ended 31 March, 2019 Rs. 19,229,377) for Provident Fund contributions, and Rs. 2,130,696 (Year ended 31 March, 2019 Rs. 3,423,671) 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	Defined benefit plans The Group offers the following employee benefit schemes to its employees:		
	i. Gratuity		
		Gratuity	Gratuity
	Components of employer's expense		
	Current service cost	74,23,139	49,30,052
	Interest cost	7,40,956	27,53,594
	Past service cost	-	6,19,613
	Actuarial losses/(gains)	(52,88,837)	11,18,133
	Total expense recognised in the Statement of Profit and Loss	28,75,258	94,21,392
	Actual contribution and benefit payments for the year		
	Actual benefit payments	29,56,028	28,86,137
	Net asset / (liability) recognised in the Balance Sheet		
	Present value of defined benefit obligation	(2,49,09,547)	(2,43,06,596)
	Fair value of plan assets	1,04,09,103	96,95,583
	Funded status [Surplus / (Deficit)]	(1,45,00,444)	(1,46,11,013)
	Unrecognised past service costs	-	-
	Net asset / (liability) recognised in the Balance Sheet	(1,45,00,444)	(1,46,11,013)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	2,43,06,597	1,67,52,605
Current service cost	74,23,139	49,30,052
Interest cost	13,50,222	27,53,594
Actuarial (gains) / losses due to change in financial assumptions	(18,511)	12,75,539
Actuarial (gains) / losses	(51,95,871)	(69,821)
Past service cost	-	6,19,613
Benefits paid	(29,56,028)	(28,86,137)
Present value of DBO at the end of the year	2,49,09,548	2,43,06,597
Change in fair value of assets during the year		
Plan assets at beginning of the year	96,95,583	-
Acquisition adjustment	-	-
Expected return on plan assets	6,36,031	-
Actual company contributions	-	96,00,000
Actuarial gain / (loss)	77,489	95,583
Benefits paid	-	-
Plan assets at the end of the year	1,04,09,103	96,95,583
Actual return on plan assets	7,13,520	95,583
Composition of the plan assets is as follows:		
Insurance fund	98.93%	98.92%
Government bonds	1.07%	1.08%
Actuarial assumptions		
Discount rate	6.57%	6.56%
Salary escalation	10.00%	10.00%
Attrition	10.00%	10.00%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Estimate of amount of contribution in the immediate next year	55,13,327	78,83,784

Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
	Experience adjustments					
	Gratuity					
	Present value of DBO	(2,49,09,547)	(2,43,06,596)	(1,67,52,605)	(75,01,066)	(58,01,855)
	Fair value of plan assets	1,04,09,103	96,95,583	-	-	-
	Funded status [Surplus / (Deficit)]	(1,45,00,444)	(1,46,11,013)	(1,67,52,605)	(75,01,066)	(58,01,855)
	Experience gain / (loss) adjustments on plan liabilities	51,95,872	69,821	(31,50,296)	(8,23,757)	(6,00,045)
	Experience gain / (loss) adjustments on plan assets	77,489	95,583	-	-	-
	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	The actuarial assumptions used for compensated absences are the same as that used in valuation of gratuity liability given in note 30.4b above.					



Stanley Lifestyles Limited

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

Note 30 Additional information to the consolidated financial statements

(All amounts in Rupees unless otherwise stated)

Note No	Particulars						
30.5	<p>Segment information</p> <p>The Group operates in one business segment, namely manufacture, trading and sale of Automotive Seating Covers, Furniture, Fixtures and Accessories. In line with Accounting Standard 17, as the relevant information is available from balance sheet and the statement of profit and loss itself, and the Group's operations are predominately in the domestic market in India, no other disclosures are considered necessary.</p>						
30.6	<p>Related party transactions</p>						
30.6.a	<p>Details of related parties:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Description of relationship</th> <th style="text-align: center;">Names of related parties</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Key Management Personnel (KMP)</td> <td> Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- KMP (Head of OEM business) Rajagopal S- Group CFO (upto 31 March 2021) Sonakshi Sunil- Relative of KMP Yusuf Merchant Abdullah- KMP (Director of Staras Seating Private Limited) Rajesh Manghnani- KMP (Director of Shrasta Décor Private Limited) Sharmila Manghnani- KMP (Director of Shrasta Décor Private Limited) Haneet Singh Chawla- KMP (Director of ABS Seating Private Limited) Rupinder Chawla- Relative of KMP Suchit Kaur Chawla- Relative of KMP </td> </tr> <tr> <td style="vertical-align: top;">Entities in which KMP can exercise significant influence</td> <td> Staras Seating Private Limited (upto 25 June 2019) Sass Kitchens Stanley Estates & Leisure </td> </tr> </tbody> </table>	Description of relationship	Names of related parties	Key Management Personnel (KMP)	Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- KMP (Head of OEM business) Rajagopal S- Group CFO (upto 31 March 2021) Sonakshi Sunil- Relative of KMP Yusuf Merchant Abdullah- KMP (Director of Staras Seating Private Limited) Rajesh Manghnani- KMP (Director of Shrasta Décor Private Limited) Sharmila Manghnani- KMP (Director of Shrasta Décor Private Limited) Haneet Singh Chawla- KMP (Director of ABS Seating Private Limited) Rupinder Chawla- Relative of KMP Suchit Kaur Chawla- Relative of KMP	Entities in which KMP can exercise significant influence	Staras Seating Private Limited (upto 25 June 2019) Sass Kitchens Stanley Estates & Leisure
Description of relationship	Names of related parties						
Key Management Personnel (KMP)	Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- KMP (Head of OEM business) Rajagopal S- Group CFO (upto 31 March 2021) Sonakshi Sunil- Relative of KMP Yusuf Merchant Abdullah- KMP (Director of Staras Seating Private Limited) Rajesh Manghnani- KMP (Director of Shrasta Décor Private Limited) Sharmila Manghnani- KMP (Director of Shrasta Décor Private Limited) Haneet Singh Chawla- KMP (Director of ABS Seating Private Limited) Rupinder Chawla- Relative of KMP Suchit Kaur Chawla- Relative of KMP						
Entities in which KMP can exercise significant influence	Staras Seating Private Limited (upto 25 June 2019) Sass Kitchens Stanley Estates & Leisure						



Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2021

Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars			
30.6 b	Particulars	Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
	Particular of Transactions with Related parties during the year			
	<u>Staras Seating Pvt. Ltd.</u>	Entities in which KMP can exercise significant influence		
	Sales		-	13,23,09,426
	<u>Sass Kitchens</u>	Entities in which KMP can exercise significant influence		
	Sales		-	71,700
	Purchases		18,57,431	1,27,68,645
	Recovery of expenses		-	3,32,817
	Reimbursement of expenses		1,20,099	1,86,733
	<u>Stanley Estates and Leisure</u>	Entities in which KMP can exercise significant influence		
	Sales		2,12,03,985	44,40,526
	Business promotion expenses		1,48,093	-
	<u>KMPs</u>			
	<u>Sunil Suresh</u>	Key Managerial Personnel		
	Salary / Perquisites		84,00,000	1,51,20,000
	Sitting fees		-	2,40,000
	Royalty		1,07,14,285	1,20,00,000
	Sales		22,33,474	93,66,009
	Advances paid		-	20,00,000
	<u>Shubha Sunil</u>	Key Managerial Personnel		
	Salary / Perquisites		82,50,000	1,65,00,000
	Sitting fees		-	1,60,000
	Sales		1,06,90,624	54,69,876
	Advance received		-	1,38,53,217
	<u>Sonakshi Sunil</u>	Relative of Key Managerial Personnel		
	Salary / Perquisites		3,22,000	-
	<u>Yusuf Merchant Abdullah</u>	Key Managerial Personnel		
	Salary / Perquisites		27,00,000	34,87,000
	<u>Rajesh Manghnani</u>	Key Managerial Personnel		
	Salary / Perquisites		16,12,500	18,00,000
	<u>Sharmila Manghnani</u>	Key Managerial Personnel		
	Salary / Perquisites		16,12,500	18,00,000
	<u>Haneet Singh Chawla</u>	Key Managerial Personnel		
	Salary / Perquisites		12,74,000	16,80,000
	Sales		-	29,161
	<u>Suchit Kaur Chawla</u>	Relative of Key Managerial Personnel		
	Salary / Perquisites		3,83,205	10,38,883
	Sales		-	37,212
	<u>Rupinder Chawla</u>	Relative of Key Managerial Personnel		
	Salary / Perquisites		6,98,744	10,23,933
	<u>Mr. Kiran Bhanu Vuppalapati</u>	Key Managerial Personnel		
	Salary / Perquisites		51,58,186	74,06,756
	<u>Mr. Rajagopal Sethuraman</u>	Key Managerial Personnel		
	Salary / Perquisites		67,55,759	1,18,05,673



Stanley Lifestyles Limited

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

Note 30 Additional information to the consolidated financial statements

(All amounts in Rupees unless otherwise stated)

Note No	Particulars	Account	As at 31 March 2021	As at 31 March 2020
30.6 c	Balances outstanding as at the balance sheet date			
	Sass Kitchens	Trade receivables (Refer note below)	-	22,11,859
		Advance to suppliers	4,19,315	2,425
	Stanley Estates and Leisure	Trade receivables	2,10,76,341	32,58,671
	Sunil Suresh			
	-Sitting fees payable	Trade Payable	-	20,000
	-Salary Payable	Trade Payable	2,52,239	-
	-Trade receivables	Trade receivables	92,727	1,46,90,892
	Shubha Sunil			
	-Sitting fees payable	Trade Payable	-	20,000
	-Salary Payable	Trade Payable	2,10,026	-
	-Trade receivables	Trade receivables	21,673	-
	-Advance from related parties	Advances from customers	-	1,38,53,217
	Sonakshi Sunil			
	-Salary payable	Trade Payable	49,800	-
	Kiran Bhanu Vuppapapati			
	-Salary payable	Trade Payable	2,24,130	-
	Yusuf Abdullah Merchant			
	-Salary payable	Trade Payable	3,00,000	2,39,800
	Haneet Singh Chawla			
	-Salary payable	Trade Payable	1,25,000	1,16,500
	Suchit Kaur Chawla			
	-Salary payable	Trade Payable	-	57,050
	Rupinder Chawla			
	-Salary payable	Trade Payable	68,693	55,900
	Guarantees - KMP		15,00,00,000	15,00,00,000
	(Joint guarantee of Sunil Suresh and Subha Sunil)			
Note:				
Net of provision of Rs. 6,449,159 as at March 31, 2021 (as at March 31, 2020: Rs. 4,237,300)				



Stanley Lifestyles Limited
Notes forming part of the consolidated financial statements for the year ended 31 March 2021
Note 30 Additional information to the consolidated financial statements

(All amounts in Rupees unless otherwise stated)

Note No	Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
30.7	The Company has entered into operating lease arrangements for office premises and showrooms with initial lease period of 9 years to 10 years and some of the leases are under non-cancellable for a period of five years. These agreements are renewable based on mutual agreement of the parties. The lease agreements provide for an increase in the lease rents by 5%-15% over a period of one year to three years.		
	Future minimum lease payments		
	not later than one year	7,03,91,459	10,81,62,811
	later than one year and not later than five years	7,75,74,175	21,25,23,911
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss	17,87,51,491	20,98,91,831
	Future minimum sublease payments expected to be received under non-cancellable subleases	NA	NA
30.8	Earnings per share		
	<u>Basic and diluted</u>		
	Profit / (loss) for the year attributable to the equity shareholders	7,09,55,977	7,65,62,118
	Weighted average number of equity shares	73,71,024	73,71,024
	Par value per share	10	10
	Earnings per share - Basic and diluted	9.63	10.39
30.9	Deferred tax (liabilities) / assets:		
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	On difference between book balance and tax balance of fixed assets	26,73,735	(1,04,26,674)
	On expenditure deferred in the books but allowable for tax purposes	-	-
	Others	-	-
	Tax effect of items constituting deferred tax liabilities	26,73,735	(1,04,26,674)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	41,26,803	34,01,917
	Provision for doubtful debts / advances	38,85,513	37,67,723
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	73,01,660	60,01,817
	On difference between book balance and tax balance of fixed assets	11,177	20,65,031
	Brought forward business losses	-	(1)
	Others	817.00	1,631.00
	Tax effect of items constituting deferred tax assets	1,53,25,970	1,52,38,118
	Deferred tax (liabilities) / assets (net) as on 31 March, 2021	1,79,99,705	48,11,444
	Movement in deferred tax (liabilities) / assets (net)		
	Deferred tax (liabilities) / assets as on 1 April, 2020	48,11,444	1,56,06,749
	<u>Tax effect of items constituting deferred tax liabilities</u>		
	<u>Addition: On account of acquisition</u>		11,86,469
	On difference between book balance and tax balance of fixed assets	1,31,00,409	(94,67,261)
	On expenditure deferred in the books but allowable for tax purposes	-	(81,82,137)
	Others	-	(1,82,682)
	Tax effect of items constituting deferred tax liabilities	1,31,00,409	(1,78,32,081)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	7,24,886	1,92,014
	Provision for doubtful debts / advances	1,17,790	19,42,459
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	12,99,030	48,86,136
	On difference between book balance and tax balance of fixed assets	(20,53,854)	(11,70,303)
	Tax effect of items constituting deferred tax assets	87,852	58,50,307
	Deferred tax (liabilities) / assets (net) as on 31 March, 2021	1,79,99,705	48,11,444



Stanley Lifestyles Limited

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

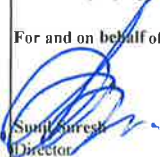
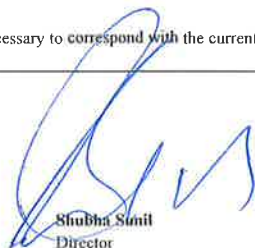
Note 30 Additional information to the consolidated financial statements

(All amounts in Rupees unless otherwise stated)

Note No	Particulars				
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, 2020	Additions	Utilisation/ Reversed	As at 31 March, 2021
	Provision for warranty	16,47,605 (30,00,000)	16,82,829 (11,61,103)	16,47,610 (25,13,498)	16,82,824 (16,47,605)
	Total	16,47,605 (30,00,000)	16,82,829 (11,61,103)	16,47,610 (25,13,498)	16,82,824 (16,47,605)
	Note: Figures in brackets relate to the previous year.				
	Of the above, the following amounts are expected to be incurred within a year:				
	Particulars	As at 31 March, 2021	As at 31 March, 2020		
	Provision for warranty	16,82,824	16,47,605		



Note 30 Additional information to the consolidated financial statements
(All amounts in Rupees unless otherwise stated)

Note No	Particulars				
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 2021				
	Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss after tax	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount
	Parent				
	Stanley Lifestyles Limited	93.73%	1,89,21,73,692	19.51%	1,38,41,408
	Indian Subsidiaries				
	Stanley Retail Limited	6.50%	13,11,42,238	25.17%	1,78,62,555
	Stanley OEM Sofas Limited	1.19%	2,39,32,547	15.63%	1,10,90,147
	Sana Lifestyles Limited	1.16%	2,33,36,216	9.62%	68,25,802
	Shraasta Décor Private Limited	3.29%	6,64,19,476	11.41%	80,98,712
	Scheek Home Interiors Limited	-0.76%	(1,53,22,917)	-0.02%	(10,649)
	ABS Seating Private Limited	2.22%	4,48,93,091	26.19%	1,85,80,060
	Staras Seating Private Limited (w.e.f 01.06.2019)	3.42%	6,89,95,878	16.10%	1,14,22,467
	Subtotal	110.74%	2,23,55,70,221	123.61%	8,77,10,502
	Adjustments arising out of consolidation	-13.52%	(27,29,97,843)	-5.60%	(39,76,809)
	Minority interest	2.79%	5,62,39,769	-18.01%	(1,27,77,718)
	Total	100%	2,01,88,12,148	100%	7,09,55,977
	31 March 2020				
	Name of the entity	Net assets (total assets minus total liabilities)		Share in profit or loss after tax	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount
	Parent				
	Stanley Lifestyles Limited	97.07%	1,87,83,32,286	108.44%	8,30,22,568
	Indian Subsidiaries				
	Stanley Retail Limited	5.85%	11,32,79,681	3.70%	28,35,080
	Stanley OEM Sofas Limited	0.66%	1,28,42,397	-5.02%	(38,40,525)
	Sana Lifestyles Limited	0.85%	1,65,10,414	4.35%	33,29,958
	Shraasta Décor Private Limited	3.01%	5,83,20,764	12.86%	98,46,321
	Scheek Home Interiors Limited	-0.79%	(1,53,12,268)	-0.02%	(16,755)
	ABS Seating Private Limited	1.36%	2,63,68,399	7.70%	58,93,149
	Staras Seating Private Limited (w.e.f 01.06.2019)	2.98%	5,75,73,411	-9.82%	(75,15,867)
	Stanley Automotive Leather Trims Limited	0.00%	90,780	0.00%	-
	Subtotal	111.00%	2,14,80,05,864	122.19%	9,35,53,929
	Adjustments arising out of consolidation	-13.24%	(25,63,04,176)	-12.26%	(93,86,491)
	Minority interest	2.24%	4,34,22,911	-9.93%	(76,05,320)
	Total	100%	1,93,51,24,599	100%	7,65,62,118
30.12	During the year ended 31 March 2020, Income Tax authorities conducted search under section 132 of the Income Tax Act, 1961 ('IT Act') at all the premises of the Company. Subsequently the Company received notices under section 153A of IT Act for block assessment for the assessment years 2014-15 to 2020-21 and the block assessment was concluded during the year ended 31 March 2021 with a tax demand of Rs. 27,585,050. No interest and penalty was payable based on the assessment concluded. The said tax demand has been recognised in the Standalone Statement of Profit and Loss as Income tax relating to earlier years and has been paid in full by the Company.				
30.13	The rapid outbreak of COVID-19 pandemic presents health crisis and its impact is unfolding in real time. As a result of lockdown by Government of India, the Company's offices, showrooms were temporarily closed from 21 March 2020 and operations were allowed to be resumed in the month of May 2020. Subsequently, as per the Government guidelines, the Company had closed its operations and showroom intermittently during the year ended 31 March 2021. The Company had undertaken various measures to ensure that adequate stocks are available for regular operations and other initiatives to manage costs. As estimated by the Management, there is no significant change in the carrying value of receivables or property, plant and equipment, inventory and other assets as a result of the pandemic or the temporary closures of operations. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.				
30.14	Subsequent to year end, the Board of Directors declared and paid an interim dividend of Rs. 5.33 per share by circular resolution on May 4, 2021 aggregating to Rs. 39,309,671. The Board of Directors have further proposed final dividend of Rs. 1.45 per share subject to approval of the shareholders at the Annual General Meeting to be held on March 3, 2022 aggregating to Rs. 10,690,329.				
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 : 01421517		 Shubha Sunil Director DIN : 01363687			
Place: Bangalore Date: 03-03-2022					

