

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying standalone financial statements of Stanley Lifestyles Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the standalone financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

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.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting 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 Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
UDIN: 21206920AAAAAD1593

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' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Stanley Lifestyles Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in 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, 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 Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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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 standalone financial statements of the Company for the year ended March 31, 2020, and the material weakness does not affect our opinion on the said standalone financial statements of the Company.

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
UDIN: 21206920AAAAAD1593

Place: Bengaluru
Date: December 30, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets and is in the process of updating situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

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- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Central Sales Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Central Sales tax	Central Sales Tax	Assistant Commissioner of commercial taxes	2012-14	3,908,683	1,408,683

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution and banks. The Company has not taken any loan from government and has not issued any debentures.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate Company or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
UDIN: 21206920AAAAAD1593

Place: Bengaluru
Date: December 30, 2020


STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Standalone Balance Sheet as at 31 March, 2020
(All amounts in Rupees unless otherwise stated)

Particulars	Note No.	As at	As at
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
A) EQUITY AND LIABILITIES			
1 Shareholder's funds			
a) Share capital	3	73,710,240	73,710,240
b) Reserves and surplus	4	1,804,622,046	1,774,916,439
		1,878,332,286	1,848,626,679
2 Non-current liabilities			
a) Long-term borrowings	5	-	1,286,455
b) Long-term provisions	6	1,515,376	15,274,135
		1,515,376	16,560,590
3 Current Liabilities			
a) Short-term borrowings	7	68,307,179	-
b) Trade payables	8	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		840,217	1,185,246
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		231,562,293	227,467,584
c) Other current liabilities	9	39,886,889	72,160,430
d) Short-term provisions	10	9,744,132	16,200,195
		350,340,710	317,013,454
Total		2,230,188,372	2,182,200,723
B) ASSETS			
1 Non current assets			
a) Property, plant & equipment	11A	155,340,204	134,948,944
b) Intangible assets	11B	7,246,986	3,258,562
c) Non-current investments	12	97,108,005	97,108,005
d) Deferred tax assets (net)	26.12	752,257	3,270,904
e) Long-term loans and advances	13	340,315,984	222,713,474
		600,763,436	461,299,889
2 Current assets			
a) Inventories	14	536,050,566	641,669,571
b) Trade receivables	15	287,938,321	257,155,380
c) Cash and cash equivalents	16	754,294,499	776,550,563
d) Short-term loans and advances	17	42,385,336	31,723,069
e) Other current assets	18	8,756,214	13,802,251
		1,629,424,936	1,720,900,834
Total		2,230,188,372	2,182,200,723
See accompanying notes forming part of the financial statements	1-26		

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



Place: Bangalore
Date: December 30, 2020.

For and on behalf of the Board of Directors


Sunil Suresh
Managing Director
DIN : 01421517


Rajagopal Sethuraman
Group CFO

Place: Bangalore
Date: December 30, 2020.


Shubha Sunil
Joint Managing Director
DIN: 01363687


Jitesh Bansal
Company Secretary
M/No. 29149

STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

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

(All amounts in Rupees unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
		Amount (Rs.)	Amount (Rs.)
1 Revenue from operations	19	1,525,522,424	1,829,423,729
2 Other income	20	72,803,950	55,484,189
Total Revenue		1,598,326,374	1,884,907,918
3 Expenses			
a) Cost of materials consumed	21A	728,338,581	973,798,494
b) Purchases of stock-in-trade (traded goods)	21B	81,365,036	155,317,639
c) Changes in inventories of finished goods, work-in-progress and stock in trade	22	125,387,746	(16,541,787)
d) Employee benefits expense	23	189,207,856	212,013,950
e) Finance costs	24	998,198	9,248,385
f) Depreciation and amortisation expense	11C	24,378,177	21,940,625
g) Other expenses	25	330,444,625	312,060,610
Total Expenses		1,480,120,219	1,667,837,916
4 Profit before tax		118,206,155	217,070,002
5 Tax expense			
a) Current tax expense		29,690,425	71,190,773
b) Current tax expense of earlier years		2,974,519	263,153
c) Deferred tax charge/(credit)		2,518,646	(6,805,328)
		35,183,591	64,648,598
6 Profit after tax		83,022,565	152,421,404
Earnings per share (EPS)	26.11		
Basic & diluted (nominal value of Rs. 10 per share)		11.26	22.23

See accompanying notes forming part of the financial

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



Place: Bangalore

Date: December 30, 2020.

For and on behalf of the Board of Directors

Sunil Suresh

Managing Director

DIN : 01421517


Rajagopal Sethuraman

Group CFO

Place: Bangalore

Date: December 30, 2020.


Shubha Sunil

Joint Managing Director

DIN: 01363687


Jitesh Bansal

Company Secretary

M/No. 29149

STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Standalone Cash Flow Statement for the year ended 31 March 2020

(All amounts in Rupees unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount (Rs.)	Amount (Rs.)
Cash flow from operating activities :		
Profit before Tax	118,206,155	217,070,002
Adjustment for:		
Depreciation and amortization expense	24,378,177	21,940,625
Interest income	(67,581,568)	(35,791,711)
Finance costs	998,198	9,248,384
Provision for doubtful trade receivables and bad debts written-off	7,114,308	7,016,120
Loss on sale of asset	661,307	-
Operating profit / (loss) before working capital changes	83,776,577	219,483,419
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	105,619,005	(109,309,903)
Trade receivables	(37,897,249)	(8,899,681)
Other current assets	13,802,251	634,150
Short term loans and advances	(10,662,266)	31,113,228
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,749,680	54,121,850
Other current liabilities	(32,273,541)	(69,944,983)
Short term provisions	5,353,999	1,317,372
Long term provisions	(13,758,759)	10,683,175
Long term loans and advances	(15,704,551)	(28,007,940)
Cash generated from operations	18,228,569	(118,292,733)
Net income tax paid	(44,475,005)	(98,478,187)
Net cash flow used in operating activities (A)	57,530,140	2,712,499
Cash flow from investing activities :		
Capital expenditure on fixed assets including capital advances	(49,419,172)	(33,242,370)
Purchase of non current investments	-	(19,408,005)
Loans given to subsidiary	(101,897,959)	(118,060,939)
Advance against purchase of investments	-	(10,591,995)
Fixed deposits not considered as cash and cash equivalents	(209,735,774)	(515,511,605)
Interest received	58,825,354	21,408,255
Net cash flow used in investing activities (B)	(302,227,551)	(675,406,659)



STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Standalone Cash Flow Statement for the year ended 31 March 2020

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Amount (Rs.)	Amount (Rs.)
Cash flow from financing activities :		
Proceeds from issue of equity shares	-	1,000,000,000
Repayment of long term borrowings	(1,286,465)	(2,041,608)
Repayment of short term borrowings	68,307,179	(95,682,425)
Dividends paid	(44,226,144)	-
Dividend tax paid	(9,090,814)	(11,840,850)
Share issue expenses	-	(20,080,857)
Finance costs paid	(998,195)	(9,248,384)
Net cash flow from financing activities (C)	12,705,561	861,105,876
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(231,991,849)	188,411,716
Cash and cash equivalents at beginning of year	261,038,960	72,627,243
Cash and cash equivalents at the end of year	29,047,122	261,038,960

Reconciliation of Cash and cash equivalents with the Balance Sheet:

Cash and cash equivalents (Refer Note 16)	754,294,499	776,550,563
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	725,247,377	515,511,603
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	29,047,122	261,038,960

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



Place: Bangalore

Date: December 30, 2020.

For and on behalf of the Board of Directors

Sunil Suresh

Managing Director

DIN : 01421517


Rajagopal Sethuraman

Group CFO

Place: Bangalore

Date: December 30, 2020.


Shubha Sunil

Joint Managing Director

DIN: 01363687


Jitesh Bansal

Company Secretary

M/No. 29149

STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No	Particulars	As at 31 March 2020		As at 31 March 2019	
		No of shares	Amount	No of shares	Amount
3	Share Capital				
	Authorised capital				
	Equity shares of Rs 10 each	7,500,000	75,000,000	7,500,000	75,000,000
	Issued, subscribed and fully paid equity shares of Rs. 10 each.	7,371,024	73,710,240	7,371,024	73,710,240
	Total		73,710,240		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 Sumil	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.



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STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the financial statements			
Note No	Particulars	As at	As at
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
4	Reserves and Surplus		
(i)	Surplus/(Deficit) in statement of profit and loss		
	Opening balance	616,531,636	475,951,081
	Add: Profit for the year	83,022,565	152,421,405
	Less:- Dividend paid	(44,226,144)	-
	Less:- Tax on dividend paid	(9,090,814)	(11,840,850)
	Closing balance	646,237,243	616,531,636
(ii)	Securities premium account		
	Opening Balance	1,158,384,803	190,786,700
	Add: Premium on shares issued	-	98,678,960
	Less: Share issue expenses (Refer note 25)	-	(20,080,857)
	Closing balance	1,158,384,803	1,158,384,803
		1,804,622,046	1,774,916,439
5	Long-term borrowings		
	Secured		
	Term loans from (Refer Note below)		
	- Financial institutions	-	1,207,628
	- Bank	-	78,827
	Total	-	1,286,455
	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 instalments. The outstanding instalments as at 31 March, 2020 is nil.		
	HDFC Bank Ltd.		
	Long term loans	-	1,207,628
	Current maturities of long term debt	1,207,628	714,531
	Hypothecation of vehicles procured from the term loan. Rate of interest: 9.55% p.a. repayable in 60 monthly instalments. The outstanding instalments as at 31 March, 2020 are 18 instalments.		
	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 instalments. The outstanding instalments as at 31 March, 2020 are is nil.		
	Toyota Financial Services India Ltd.		
	Long term loans	-	78,827
	Current maturities of long term debt	78,838	465,062
	Hypothecation of vehicles procured from the term loan. Rate of interest: 8.74% p.a. repayable in 36 monthly instalments. The outstanding instalments as at 31 March, 2020 are 2 instalments.		
	Total - (A)	1,286,466	4,198,288
	Less: Long-term borrowings as per note 5	-	1,286,455
	Current maturities of long term debt (A-B)	1,286,466	2,911,833



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STANLEY LIFESTYLES LIMITED (CIN: U19116KA2007PLC044090)			
Notes forming part of the financial statements			
Note No	Particulars	As at	As at
		31 March 2020 Amount (Rs.)	31 March 2019 Amount (Rs.)
6	Long-term provisions		
	Provision for gratuity (Refer note 26.7)	-	13,507,053
	Provision for leave encashment (Refer note 26.7)	1,515,376	1,767,082
	Total	1,515,376	15,274,135
7	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	-
8	Trade payables		
	-Dues of micro enterprises and small enterprises	840,217	1,185,246
	-Dues of creditors other than micro enterprises and small enterprises	231,562,293	227,467,584
	Total	232,402,510	228,652,830
9	Other current liabilities		
	Current maturities of long-term debt (Refer Note 5)	1,286,466	2,911,833
	Other payables		
	Advances from Customers	21,910,055	24,134,983
	Statutory Liabilities	8,283,794	24,341,806
	Payable to Employees	7,859,884	16,082,974
	Payables on purchase of fixed assets	-	4,056,166
	Dealer Deposits	546,690	632,668
	Total	39,886,889	72,160,430
10	Short term provisions		
	Provision for employee benefits		
	Provision for gratuity (Refer note 26.7)	7,883,784	983,459
	Provision for leave encashment (Refer note 26.7)	212,742	406,674
	Provision for warranty (Refer note 26.13)	1,647,605	3,000,000
	Provision for Income taxes (net of advance income tax of Rs. 60,435,688 on 31 March 2019)	-	11,810,062
	Total	9,744,132	16,200,195



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STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No	Particulars	As at	As at
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
12	Non Current Investments		
	Trade Investments (valued at cost unless stated otherwise)		
	Investment in equity instruments of subsidiaries:		
	Stanley Retail Limited (4,000,000 (previous year : 4,000,000) equity shares of Rs. 10 each fully paid)	40,000,000	40,000,000
	ABS Seating Private Limited (198,588 (nominal value Rs. 10 each fully paid))	19,408,005	19,408,005
	Stanley Automotive Leather Trims Limited (10,000 (previous year : 10,000) equity shares of Rs. 10 each fully paid)	100,000	100,000
	Stanley OEM Sofas Limited (3,760,000 (previous year : 3,760,000) equity shares of Rs. 10 each fully paid)	37,600,000	37,600,000
	Total	97,108,005	97,108,005
	Aggregate amount of unquoted investments	97,108,005	97,108,005
13	Long Term Loans and Advances		
	<i>(Unsecured, considered good)</i>		
	a. Security deposits	59,208,556	59,533,688
	b. Loans and advances to related parties (refer note 26.9)	260,550,893	158,652,934
	c. Capital advances	-	4,526,850
	d. Balances with government authorities	3,328,361	-
	e. Advance Income tax (net of provision for income tax of Rs. 31,754,292/-)	17,166,450	-
	f. Prepaid expenses	61,724	-
	Total	340,315,984	222,713,472
14	Inventories		
	<i>(lower of cost and net realizable value)</i>		
	Raw materials (including Goods in transit of Rs. 39,512,405/- (previous year: Rs. 20,459,307/-))	282,600,002	262,831,261
	Work In Progress	36,978,793	56,640,149
	Stock in trade (acquired for trading) ((including Goods in transit of Rs. Nil (previous year: Rs. 5,093,361/-))	191,460,355	219,746,875
	Finished Goods	25,011,416	102,451,286
	Total	536,050,566	641,669,571
15	Trade Receivables		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	-Unsecured, considered good	34,547,766	93,465,734
	Other Trade receivables		
	-Unsecured, considered good	253,390,555	163,689,646
	-Unsecured, considered doubtful	10,844,339	6,400,000
	Less: Provision for doubtful trade receivables	(10,844,339)	(6,400,000)
		253,390,555	163,689,646
	Total	287,938,321	257,155,380



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STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No	Particulars	As at	As at
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
16	Cash and cash equivalents		
	Cash on Hand	179,604	529,118
	Balances with Banks:		
	-in current accounts	12,679,784	49,016,994
	- in deposit accounts (original maturity of less than 3 months)	-	192,865,909
	Total	12,859,388	242,412,021
	Other Bank balances		
	Fixed deposits with original maturity less than equal to twelve months	725,247,377	515,511,603
	-in earmarked accounts (balance held as margin money)	16,187,734	18,626,939
	Total	754,294,499	776,550,563
17	Short Term Loans and Advances		
	(Unsecured, considered good)		
	Advances to Suppliers	33,632,292	23,464,466
	Balances with government authorities	3,374,958	6,221,707
	Prepaid expenses	983,616	1,079,567
	Other Advances	4,394,470	957,329
	Total	42,385,336	31,723,069
18	Other current assets		
	Interest accrued on		
	- fixed deposits	8,756,214	5,481,094
	- loans	-	8,321,157
	Total	8,756,214	13,802,251



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STANLEY LIFESTYLES LIMITED
(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No.	Particulars	For the year ended	For the year ended
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
19	Revenue from operations (net)		
	Sale of products		
	-Manufactured goods	1,218,785,486	1,476,999,714
	-Traded goods	189,529,585	192,818,105
	-Raw materials	117,207,353	159,605,910
	Total	1,525,522,424	1,829,423,729
	Note: The Company operates in one category, namely manufacture and trading of automotive seating covers, furniture, fixtures and accessories.		
20	Other Income		
	Net Gain on foreign currency transactions and translation	-	4,548,264
	Interest Income	67,581,568	35,791,711
	Rental Income	-	3,813,561
	Liabilities no longer required written back	2,391,695	8,522,014
	Provisions for Warranty written back (refer note 26.13)	729,883	-
	Others	2,100,804	2,808,639
	Total	72,803,950	55,484,189
21A	Cost of materials consumed		
	Opening Stock	262,831,261	170,063,145
	Purchases		
	Raw-materials	673,699,177	1,022,847,241
	Clearing and forwarding Charges	74,408,145	43,719,369
	Less: Closing Stock ((including Goods in transit of Rs. 39,512,405/- (previous year: 20,459,307/-))	282,600,002	262,831,261
	Total	728,338,581	973,798,494
21B	Purchases of stock-in-trade (traded goods)	81,365,036	155,317,639
		81,365,036	155,317,639
	Note: The purchases fall under one category, namely manufacture and trading of automotive seating covers, furniture, fixtures and accessories.		



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STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No.	Particulars	For the year ended	For the year ended
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
22	Changes in inventories of finished goods, work-in-progress and stock in trade		
	<u>Inventories at the end of the year:</u>		
	Finished goods		
	-Stock in trade ((including Goods in transit of Nil (previous year: Rs. 5,093,361/-))	191,460,355	219,746,875
	-Manufactured	25,011,416	102,451,286
		216,471,771	322,198,161
	Work-in-progress	36,978,793	56,640,149
		253,450,564	378,838,310
	<u>Inventories at the beginning of the year:</u>		
	Finished goods	322,198,161	325,540,156
Work-in-progress	56,640,149	36,756,367	
	378,838,310	362,296,523	
	Total	125,387,746	(16,541,787)
23	Employee benefits expense		
	Salaries and wages	163,127,675	184,811,495
	Gratuity (refer note 26.7)	4,816,618	8,342,978
	Contribution to provident and other funds	12,980,994	9,383,954
	Staff welfare expenses	8,282,569	9,475,523
	Total	189,207,856	212,013,950
24	Finance costs		
	Interest on borrowings	734,375	8,193,408
	Interest on delayed payment of income tax	263,823	1,054,976
	Total	998,198	9,248,384



STANLEY LIFESTYLES LIMITED

(CIN: U19116KA2007PLC044090)

Notes forming part of the financial statements

Note No.	Particulars	For the year ended	For the year ended
		31 March 2020	31 March 2019
		Amount (Rs.)	Amount (Rs.)
25	Other expenses		
	Advertisement and business promotion	87,287,497	103,225,773
	Rent including lease rentals (refer note 26.10)	93,487,152	61,016,618
	Carriage outwards	16,864,008	20,888,714
	Royalty expense	15,055,359	16,496,822
	Power and fuel	10,123,622	7,597,161
	Corporate Social Responsibility Expenses (refer note 26.14)	4,540,000	3,700,000
	Travelling and conveyance	8,796,713	10,237,884
	Security charges	4,270,023	3,905,602
	Repairs and maintenance		
	-Plant and machinery	2,575,168	2,164,526
	-Leasehold facilities	1,728,880	6,579,381
	-Others	2,632,165	8,804,733
	Legal and professional charges	12,148,639	36,199,468
	Less: Share issue expense adjusted against share premium account (refer note 4(ii))	-	(20,080,857)
		12,148,639	16,118,611
	Rates and taxes	908,327	6,486,623
	Job work charges	37,529,614	12,036,002
	Bank charges	6,535,824	8,010,862
	Communication expenses	1,572,277	1,254,076
	Insurance expenses	3,881,964	2,799,467
	Sales commission	45,281	859,954
	Payments to the auditors - as Auditors (net of taxes)		
	-For statutory audit	1,500,000	1,500,000
	Loss on sale of fixed assets (net)	661,307	-
	Director sitting fees	1,040,000	360,000
	Provision for doubtful trade receivables	4,444,339	6,288,997
	Foreign exchange loss (Net)	515,632	-
	Warranty expense (refer note 26.13)	-	4,486,748
	Bad trade receivables written off	2,669,969	727,123
	Miscellaneous expenses	9,630,865	6,514,935
	Total	330,444,625	312,060,610



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STANLEY LIFESTYLES LIMITED
(CIN: U09106KA2007PLC044090)

Amount (Rs.)

Note 11A: Property Plant & Equipment

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at 01-Apr-19	As at 31-Mar-20	As at 01-Apr-19	Depreciation for the year	As at 31-Mar-20	As at 31-Mar-19
Tangible Assets (Owned)						
Leasehold improvements	46,376,887	49,954,497	10,520,839	9,119,874	19,640,713	30,313,784
Plant & machinery	70,308,662	34,294,427	21,922,480	8,373,974	30,496,454	48,386,182
Electrical equipments	26,404,075	2,412,812	9,064,998	156,007	9,221,005	19,595,280
Furniture & fixtures	17,866,020	65,840	6,279,816	579,399	6,859,216	11,586,205
Office equipment	6,571,216	1,704,826	4,319,714	554,052	4,873,766	2,251,502
Computers	10,162,271	1,910,527	9,006,713	1,528,190	10,534,903	1,155,558
Motor vehicles	27,925,119	27,925,119	9,550,744	3,062,688	12,613,432	15,311,688
Total	205,614,250	44,627,349	70,665,306	23,574,784	94,240,089	134,948,948

Note 11B: Intangible Assets

Particulars	GROSS BLOCK		AMORTISATION		NET BLOCK	
	As at 01-Apr-19	As at 31-Mar-20	As at 01-Apr-19	Depreciation for the year	As at 31-Mar-20	As at 31-Mar-19
Intangible Assets						
Acquired software	3,597,498	4,791,816	338,936	803,393	1,142,329	7,246,985
Total	3,597,498	4,791,816	338,936	803,393	1,142,329	7,246,985

Property Plant & Equipment (Opening Balance)

Particulars	GROSS BLOCK		ACCUMULATED DEPRECIATION		NET BLOCK	
	As at 01-Apr-18	As at 31-Mar-19	As at 01-Apr-18	Depreciation for the year	As at 31-Mar-19	As at 31-Mar-18
Tangible Assets (Owned)						
Leasehold improvements	43,256,311	46,376,887	3,798,173	6,722,666	10,520,839	39,458,138
Plant & machinery	61,197,905	9,110,757	16,575,130	5,347,351	21,922,480	44,622,775
Electrical equipment	25,684,133	719,942	6,269,869	2,795,129	9,064,998	19,414,264
Furniture & fixtures	15,304,009	2,562,011	5,269,936	1,009,380	6,279,316	11,586,205
Office equipment	6,381,411	189,805	2,930,843	1,388,871	4,319,714	2,251,502
Computers	9,171,463	990,808	8,583,627	423,086	9,006,713	1,155,558
Motor vehicles	18,997,776	8,927,343	5,502,095	4,048,649	9,550,744	13,495,681
Total	179,993,008	25,621,242	48,929,673	21,735,632	70,665,306	134,948,948

Intangible Assets (Opening Balance)

Particulars	GROSS BLOCK		AMORTISATION		NET BLOCK	
	As at 01-Apr-18	As at 31-Mar-19	As at 01-Apr-18	Amortisation for the year	As at 31-Mar-19	As at 31-Mar-18
Intangible Assets						
Acquired software	503,220	3,094,278	133,943	204,993	338,936	369,277
Total	503,220	3,094,278	133,943	204,993	338,936	369,277

Note 11C: Depreciation and amortisation expense

Particulars	For the year ended	
	31 March 2020	31 March 2019
Depreciation on tangible assets as per note 11A	23,574,784	21,735,632
Amortisation on intangible assets as per note 11B	803,393	204,993
Total	24,378,177	21,940,625



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Stanley Lifestyles Limited
Notes forming part of the financial statements

1. Company overview

Stanley Lifestyles Limited ("the Company") was incorporated on 11 October 2007 as a public limited company with its registered office in Bengaluru, India. The Company is primarily engaged in the business of manufacturing and trading of furniture and leather products.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis of accounting and comply with the accounting standards prescribed under Section 133 of Companies Act, 2013 ("the Act"). The accounting policies have been consistently applied by the Company. The financial statements are presented in Indian rupees (Rs.).

2.2 Use of estimates

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

2.3 Operating cycle

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

2.4 Cash and cash equivalents

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

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

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



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Stanley Lifestyles Limited
Notes forming part of the financial statements

2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. 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. Work in progress and finished goods include appropriate portion of overheads.

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

(a) Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost includes its purchase price, including import duties and other non-refundable taxes or levies (for Leasehold improvements and Vehicles, Goods and Services Tax is not availed but added to the cost of acquisition or construction), freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of property, plant and equipment not ready for their intended use at the balance sheet date are disclosed as capital work in progress. Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances' under 'long-term loans and advances'.

(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 : 26.15)

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	5 years

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



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Stanley Lifestyles Limited
Notes forming part of the financial statements

2.8 Revenue recognition

Revenue from operations

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

Sale of goods:

Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods and all significant risks and rewards of their ownership are transferred to the customer which generally coincides with delivery to the customers and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. The amount recognised as revenue is exclusive of GST and net of trade and quantity discounts.

Interest:

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

2.9 Foreign currency transactions and translations

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

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

Initial recognition

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

Accounting for forward contracts

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

2.10 Employee benefits

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

Short-term employee benefits:

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

Post-employment employee benefits:

Defined contribution schemes

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 recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.



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Stanley Lifestyles Limited
Notes forming part of the financial statements

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.

2.11 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.

2.13 Taxes on income

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

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



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Stanley Lifestyles Limited
Notes forming part of the financial statements

2.14 Impairment of assets

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

2.15 Provision for warranty

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

2.16 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.

2.17 Investments

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

2.18 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 Provisions and contingencies

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



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

		<i>Amount (Rs.)</i>	
26.1 Contingent liabilities and commitments (to the extent not provided for)			
		As at 31 March, 2020	As at 31 March, 2019
(i)	Particulars		
	Contingent liabilities		
	(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 dispute raised on applicability Deemed Dividend for the loan grated to subsidiaries.	29,808,447	-
<p>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.</p>			
		As at 31 March, 2020	As at 31 March, 2019
(ii)	Particulars		
	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible and Intangible assets	-	1,000,000
26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006			
		As at 31 March, 2020	As at 31 March, 2019
Particulars			
	(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	-	-
<p>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.</p>			



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Note 26 Additional information to the financial statements

26.3 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 Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and advance to creditors.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 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	Advance to suppliers/ (Payable)	Advance to suppliers/ (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)

26.4 Value of imports calculated on CIF basis:

Particulars	For the year ended 31 March, 2020 (₹)	For the year ended 31 March, 2019 (₹)
Raw materials and traded goods	623,537,027	952,272,250
Capital goods	-	4,875,075

26.5 Expenditure in foreign currency:

Particulars	For the year ended 31 March, 2020 (₹)	For the year ended 31 March, 2019 (₹)
Royalty	5,270,626	5,612,911
Professional and consultation fees	9,560,586	6,855,260
Travel expenses	149,100	3,477,397
Business Promotion expenses	7,073,117	-



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Stanley Lifestyles Limited
Notes forming part of the financial statements

26.6 Earnings in foreign exchange:		<i>Amount (Rs)</i>	
Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019	
Export of goods calculated on FOB basis*	-	1,061,546.00	
* In previous year out of the above, goods of value INR 757,572 was exported to Nepal against which the Company has realised Indian currency.			
26.6a Details of consumption of imported and indigenous items		For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Amount in Rs.	Amount in Rs.
Raw materials			
Imported	702,933,718	899,257,560	
Indigenous	232,157,647	213,316,785	
Total	935,091,365	1,112,574,345	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
		%	%
Imported	75%	81%	
Indigenous	25%	19%	
Total	100%	100%	



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars		
26.7	Employee benefit plans		
26.7.a	Defined contribution plans The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 11,141,517 (Year ended 31 March, 2019 Rs. 9,361,234) for Provident Fund contributions, and Rs. 2,127,821 (Year ended 31 March, 2019 Rs. 3,189,050) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.		
26.7.b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Gratuity (included as part of in Note 23 Employee benefits expense)	<i>Amount (Rs.)</i>	
		Year ended 31 March, 2020	Year ended 31 March, 2019
		Gratuity	Gratuity
	Components of employer's expense		
	Current service cost	1,057,807	1,017,812
	Interest cost	2,602,003	442,868
	Actuarial losses/(gains)	1,156,808	6,882,298
	Total expense recognised in the Statement of Profit and Loss	4,816,618	8,342,978
	Actual benefit payments for the year		
	Actual benefit payments	2,240,346	654,279
	Net asset / (liability) recognised in the Balance Sheet		
	Present value of defined benefit obligation	17,066,784	14,490,512
	Funded status [Surplus / (Deficit)]	(17,066,784)	(14,490,512)
	Fair Value of Plan Assets at the end of the year	9,183,000	
	Unrecognised past service costs	-	-
	Net asset / (liability) recognised in the Balance Sheet	(7,883,784)	(14,490,512)
		Year ended 31 March, 2020	Year ended 31 March, 2019
		Gratuity	Gratuity
	Change in defined benefit obligations (DBO) during the year		
	Present value of DBO at beginning of the year	14,490,512	6,801,813
	Current service cost	1,057,807	1,017,812
	Interest cost	2,602,003	442,868
	Actuarial (gains) / losses	1,156,808	6,882,298
	Benefits paid	(2,240,346)	(654,279)
	Present value of DBO at the end of the year	17,066,784	14,490,512
	Actuarial assumptions		
	Discount rate	6.56%	7.30%
	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)

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

Experience adjustments

	2020-2019	2018-2019	2017-2018	2016-2017	2015-2016
Gratuity					
Present value of DBO	(17,066,784)	(14,490,512)	(6,801,813)	(5,762,105)	(4,616,944)
Fair value of plan assets	-	-	-	-	-
Funded status [Surplus / (Deficit)]	(17,066,784)	(14,490,512)	(6,801,813)	(5,762,105)	(4,616,944)
Fair Value of Plan Assets at the end of the year	9,183,000	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	(140,145)	(2,506,501)	(961,137)	(600,045)	121,605
Experience gain / (loss) adjustments on plan assets	83,000	-	NA	NA	NA

26.7c

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.



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars
26.8	Segment information The Company 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 Company's operations are predominantly in the domestic market in India, no other disclosures are considered necessary.



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars												
26.9 26.9.a	<p>Related party transactions Details of related parties:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <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>Subsidiaries</td> <td>Stanley Retail Limited Stanley OEM Sofas Limited Stanley Automotive Leather Trims Limited ABS Seating Private Limited (from 1 Jan 2019)</td> </tr> <tr> <td>Step-down Subsidiaries</td> <td>Staras Seating Private Limited (from 26 June, 2019) Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited (from 9 May 2018)</td> </tr> <tr> <td>Associate</td> <td>Shrasta Décor Private Limited (upto 8 May 2018)</td> </tr> <tr> <td>Key Management Personnel (KMP)</td> <td>Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- Director Rajagopal S- Group CFO (from 3 January 2019) Hanuman Kumar Sharma- Group CFO and COO (upto 19 Aug 2018) - Executive Director (from 20 Aug 2018 upto 1 Nov 2018)</td> </tr> <tr> <td>Entities in which KMP / Relatives of KMP can exercise significant influence</td> <td>Staras Seatings Private Limited (upto 25 June, 2019) ABS Seating Private Limited (upto 31 Dec 2018) Saas Kitchens (upto 31 December 2018) Stanley Estate & Leisure</td> </tr> </tbody> </table>	Description of relationship	Names of related parties	Subsidiaries	Stanley Retail Limited Stanley OEM Sofas Limited Stanley Automotive Leather Trims Limited ABS Seating Private Limited (from 1 Jan 2019)	Step-down Subsidiaries	Staras Seating Private Limited (from 26 June, 2019) Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited (from 9 May 2018)	Associate	Shrasta Décor Private Limited (upto 8 May 2018)	Key Management Personnel (KMP)	Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- Director Rajagopal S- Group CFO (from 3 January 2019) Hanuman Kumar Sharma- Group CFO and COO (upto 19 Aug 2018) - Executive Director (from 20 Aug 2018 upto 1 Nov 2018)	Entities in which KMP / Relatives of KMP can exercise significant influence	Staras Seatings Private Limited (upto 25 June, 2019) ABS Seating Private Limited (upto 31 Dec 2018) Saas Kitchens (upto 31 December 2018) Stanley Estate & Leisure
Description of relationship	Names of related parties												
Subsidiaries	Stanley Retail Limited Stanley OEM Sofas Limited Stanley Automotive Leather Trims Limited ABS Seating Private Limited (from 1 Jan 2019)												
Step-down Subsidiaries	Staras Seating Private Limited (from 26 June, 2019) Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited (from 9 May 2018)												
Associate	Shrasta Décor Private Limited (upto 8 May 2018)												
Key Management Personnel (KMP)	Sunil Suresh- Managing Director Shubha Sunil- Joint Managing Director Kiran Bhanu Vuppalapati- Director Rajagopal S- Group CFO (from 3 January 2019) Hanuman Kumar Sharma- Group CFO and COO (upto 19 Aug 2018) - Executive Director (from 20 Aug 2018 upto 1 Nov 2018)												
Entities in which KMP / Relatives of KMP can exercise significant influence	Staras Seatings Private Limited (upto 25 June, 2019) ABS Seating Private Limited (upto 31 Dec 2018) Saas Kitchens (upto 31 December 2018) Stanley Estate & Leisure												



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars			
	Particulars	Relationship	For the year ended	For the year ended
			31 March 2020	31 March 2019
			Amount (INR)	Amount (INR)
26.9.b	Particulars of Transactions with Related parties during the year			
	Particulars of Transactions with Related parties during the year			
	<u>Stanley Retail Limited</u>	Subsidiary		
	Sales		551,182,927	426,525,038
	Common expenses billed		19,675,320	12,729,840
	Purchases		2,471,574	2,440,694
	Recovery of expenses		370,455	265,361
	Reimbursement of Expenses		6,064,407	3,069,447
	Receivables converted to loan		109,916,781	-
	Loan given to SRL		68,284,750	-
	Loan repayment received from SRL		18,201,531	-
	Interest on loan accrued		9,630,879	-
	Interest on loan received		8,762,539	-
	Sale of SLL receivables from ABS Seating		4,490,627	-
	<u>Stanley OEM Sofas Limited</u>	Subsidiary		
	Sales		32,566,855	46,734,466
	Common expenses billed		9,988,752	1,840,800
	Purchases		4,220,377	601,471
	Recovery of expenses		2,736,222	4,563,868
	Reimbursement of Expenses		159,563	24,213,758
	Loan given		101,096,596	118,060,939
	Interest receivable		15,115,209	7,489,041
	Guarantees released		-	10,000,000
	<u>Sana Lifestyles Limited</u>	Step-down Subsidiary		
	Sales		38,428,717	48,236,296
	Purchases		-	299,709
	<u>Schack Home Interiors Limited</u>	Step-down Subsidiary		
	Sales		-	-
	Purchases		-	-
	Recovery of expenses		-	2,180
	<u>Shrista Décor Pvt Ltd</u>	Associate company		
	Sales		79,793,037	4,435,486
	Purchases		14,772	-
	<u>Shrista Décor Pvt Ltd</u>	Step-down Subsidiary		
	Sales		-	64,225,485
	Recovery of expenses		-	1,148,643
	<u>ABS Seating Pvt. Ltd.</u>	KMP having substantial interest		
	Sales		-	67,992,436
	<u>ABS Seating Pvt. Ltd.</u>	Subsidiary		
	Sales		96,801,219	20,562,670
	<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
	<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		240,000	60,000
	Royalty		12,000,000	12,000,000
	Sales		9,349,604	84,790
	Advance for the purchase of shares		40,591,995	10,591,995
	Purchase of shares		-	19,408,005
	<u>Shubha Sunil</u>	Key Managerial Personnel		
	Salary Perquisites		13,500,000	15,000,000
	Sitting fees		160,000	60,000
	<u>Hanuman Kumar Sharma</u>	Key Managerial Personnel		
	Salary Perquisites		-	9,877,595
	Recovery of advances		-	8,926,072
	<u>Mr. Kiran Bhana Vuppalapati</u>	Key Managerial Personnel		
	Salary Perquisites		7,406,756	6,054,645
	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 financial statements				
Note 26 Additional information to the financial statements				
Note	Particulars			
	Particulars	Account	As at 31 March 2020 Amount (INR)	As at 31 March 2019 Amount (INR)
26.9.c	Balances as at year end			
	ABS Seating Pvt. Ltd.	Trade receivables - Adv from customers	3,091,138	43,977
	Staras Seating Pvt. Ltd.	Trade receivables: Adv from customers	10,391,135	10,643,828
	Sass Kitchens	Trade receivables	6,949,160	6,949,160
	Stanley OEM Sofas Limited	Trade receivables	14,459,381	-
	Stanley OEM Sofas Limited	Loans given	101,096,596	118,060,939
	Stanley Retail Limited	Trade receivables	148,912,158	112,356,679
		Long term loan given	160,000,000	-
		Investment	40,000,000	40,000,000
		Other current liabilities	868,340	-
	Sana Lifestyles Limited	Trade receivables	6,228,449	10,384,193
	Scheek Home Interiors Limited	Trade receivables	20,632,878	20,632,878
	Shrasta Décor Pvt Ltd	Trade receivables	5,315,678	18,740,018
	Stanley Estates and Leisure	Trade receivables	3,258,671	-
	Sunil Suresh		-	-
	-Advance for purchase of shares		-	40,591,995
	-Sitting fees payable		20,000	60,000
	-Royalty payable		-	-
	-Salary payable		-	-
	-Trade Receivables		14,690,892	-
	Shubha Sunil		-	-
	-Sitting fees		20,000	60,000
	-Salary payable		-	-
	Mr. Kiran Bhanu Vuppapapati		-	-
	-Advance receivable		-	-
	-Salary payable		-	-
	Mr. Hanuman Kumar Sharma		-	-
	-Advance receivable		-	-
	-Salary payable		-	1,239,040
	Guarantees - KMP		150,000,000	150,000,000
	(Joint guarantee of Sunil Suresh and Subha Sunil)		-	-



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Amount (Rs.)

Note	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
26.10	The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable for a period of 1 August 2018 to 31 July 2023 and from 20 August 2016 to 19 August 2019 and may be renewed based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 10% to 15% every 2 or 3 years.		
	Future minimum lease payments		
	not later than one year	48,970,658	30,508,049
	later than one year and not later than five years	165,730,462	93,597,208
	later than five years	-	-
	Lease payments recognised in the Statement of Profit and Loss (refer note 25)	93,487,152	61,016,618
	Contingent rents recognised as expense during the year.	-	-
	Sublease payments received / receivable recognised in the Statement of Profit and Loss	-	3,813,561
26.11	Earnings per share		
	<u>Basic and diluted</u>		
	Profit / (loss) for the year	83,022,568	152,421,404
	Profit / (loss) for the year attributable to the equity shareholders	83,022,568	152,421,404
	Weighted average number of equity shares	7,371,024	6,857,929
	Par value per share	10	10
	Earnings per share - Basic and diluted	11.26	22.23
26.12	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	(7,251,055)	(7,299,069)
	On expenditure deferred in the books but allowable for tax purposes	-	(788,031)
	Others	-	-
	Tax effect of items constituting deferred tax liabilities	(7,251,055)	(8,087,100)
	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits	2,419,316	4,554,346
	Provision for doubtful debts / advances	2,729,520	1,863,680
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	2,854,477	4,939,978
	Tax effect of items constituting deferred tax assets	8,003,313	11,358,004
	Deferred tax (liabilities) / assets (net)	752,258	3,270,904

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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars					Amount (₹.)
	Particulars	As at 1 April, 2019	Additions	Utilisation/ Reversed	As at 31 March, 2020	
26.13	Details of provisions					
	The Company 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:					
	Provision for warranty	3,000,000	1,161,103 (44,86,748)	2,513,498 (14,86,748)	1,647,605 (30,00,000)	
	Total	3,000,000	1,161,103.00 (44,86,748)	2,513,498 (14,86,748)	1,647,605 (30,00,000)	
	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, 2020	As at 31 March, 2019			
	Provision for warranty	1,647,605	3,000,000			



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Stanley Lifestyles Limited
Notes forming part of the financial statements

Note 26 Additional information to the financial statements


Note	Particulars		
26.14	Corporate social responsibility		
		<i>Amount (Rs)</i>	
	Particulars	As at 31 March, 2020	As at 31 March, 2019
	(a) Gross amount required to be spent by the Company during the year as per section 135 of the Act	4,537,214	3,517,166
	(b) Amount spent during the year:		
	(i) Construction / Acquisition of any asset	-	-
	(ii) On purposes other than (i) above (i.e. National Employment Enhancement Mission)	4,540,000	3,700,000
26.15	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
26.16	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.		
26.17	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 May, 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.		
26.18	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
Managing Director
DIN : 01421517


Shubha Sunil
Joint Managing Director
DIN: 01363687


Rajagopal Sethuraman
Group CFO


Jitesh Bansal
Company Secretary
M/No. 29149

Place : Bangalore
Date: December 30, 2020.

