DRAFT RED HERRING PROSPECTUS
Dated: September 4, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

(Please scan this QR code to view the DRHP)

STANLEY LIFESTYLES LIMITED

Corporate Identity Number: U19116KA2007PLC044090

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru, Karnataka 560 100, India	Akash Shetty *Company Secretary and Compliance Officer*	**Email:** investors@stanleylifestyles.com **Telephone:** + 91 80 6895 7200	www.stanleylifestyles.com

THE PROMOTERS OF OUR COMPANY ARE SUNIL SURESH AND SHUBHA SUNIL

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 2,000.00 million	Offer for Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million	Up to [●] Equity Shares aggregating up to ₹ [●] million	The Offer is being made in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”). For further details, see “*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*” on page 357. For details in relation to share reservation among QIBs, NIBs and RIBs, see “*Offer Structure*” on page 377.

DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION (IN ₹ PER EQUITY SHARE)*
Sunil Suresh	Promoter Selling Shareholder	Up to 1,182,000 Equity Shares aggregating up to ₹ [●] million	3.05
Shubha Sunil	Promoter Selling Shareholder	Up to 1,182,000 Equity Shares aggregating up to ₹ [●] million	3.05
Oman India Joint Investment Fund II	Investor Selling Shareholder	Up to 5,544,454 Equity Shares aggregating up to ₹ [●] million	108.22
Kiran Bhanu Vuppalapati	Individual Selling Shareholder	Up to 1,000,000 Equity Shares aggregating up to ₹ [●] million	5.73
Sridevi Venkata Vuppalapati	Individual Selling Shareholder	Up to 225,000 Equity Shares aggregating up to ₹ [●] million	27.86

* *As certified by N B T and Co, Chartered Accountants, by way of their certificate dated September 4, 2023.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price (determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “*Basis for Offer Price*” on page 113 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to “*Risk Factors*” on page 26.

COMPANY AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s).

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Names and Logos of the Book Running Lead Managers	Contact Person	E-mail and Telephone
AXIS CAPITAL **Axis Capital Limited**	Mayuri Arya / Pratik Pednekar	**E-mail:** stanley.ipo@axiscap.in **Tel:** +91 22 4325 2183
ICICI Securities **ICICI Securities Limited**	Kristina Dias/ Namrata Ravasia	**E-mail:** stanley.ipo@icicisecurities.com **Tel:** +91 22 6807 7100
JM FINANCIAL **JM Financial Limited**	Prachee Dhuri	**E-mail:** stanleylifestyles.ipo@jmfl.com **Tel:** +91 22 6630 3030
SBICAPS Complete Investment Banking Solutions **SBI Capital Markets Limited**#	Janardhan Wagle/ Krithika Shetty	**E-mail:** stanley.ipo@sbicaps.com **Tel:** +91 22 4006 9807

REGISTRAR TO THE OFFER

Name of the Registrar	Contact Person	E-mail and Telephone
KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)	M Murali Krishna	**E-mail:** sll.ipo@kfintech.com **Tel:** +91 40 6716 2222

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON*	**[●]***	**BID/ OFFER OPENS ON**	**[●]**	**BID/ OFFER CLOSES ON****	**[●]*****

* *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may in consultation with the Book Running Lead Managers, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

\# *SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.*

DRAFT RED HERRING PROSPECTUS
Dated: September 4, 2023
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

STANLEY LIFESTYLES LIMITED

Our Company was originally formed as a partnership firm under the Partnership Act, 1932, as amended, in the name of 'Stanley Seating' pursuant to a deed of partnership dated February 1, 2007. Our Company was thereafter incorporated as a public limited company as 'Stanley Lifestyles Limited' upon its conversion from a partnership firm in accordance with the provisions of Part IX of the Companies Act, 1956 and received a fresh certificate of incorporation dated October 11, 2007 and a certificate for commencement of business dated December 14, 2007 from the RoC. For details in relation to changes in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 205.

Registered and Corporate Office: SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 100, Karnataka, India
Telephone: + 91-80 6895 7200; **Contact person:** Akash Shetty, Company Secretary and Compliance Officer
E-mail: investors@stanleylifestyles.com; **Website:** www.stanleylifestyles.com; **Corporate Identity Number:** U19116KA2007PLC044090

THE PROMOTERS OF OUR COMPANY ARE SUNIL SURESH AND SHUBHA SUNIL

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF STANLEY LIFESTYLES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 9,133,454 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING UP TO 1,182,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SUNIL SURESH AND UP TO 1,182,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SHUBHA SUNIL (COLLECTIVELY THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 5,544,454 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY OMAN INDIA JOINT INVESTMENT FUND II, ACTING THROUGH ITS TRUSTEE OMAN INDIA JOINT INVESTMENT FUND TRUSTEE COMPANY PRIVATE LIMITED, REPRESENTED BY ITS INVESTMENT MANAGER, OMAN INDIA JOINT INVESTMENT FUND – MANAGEMENT COMPANY PRIVATE LIMITED ("OMAN INDIA JOINT INVESTMENT FUND II") (THE "INVESTOR SELLING SHAREHOLDER"), AND UP TO 1,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KIRAN BHANU VUPPALAPATI, AND UP TO 225,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY SRIDEVI VENKATA VUPPALAPATI (COLLECTIVELY "INDIVIDUAL SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS, THE INVESTOR SELLING SHAREHOLDER AND THE INDIVIDUAL SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S) OF SUCH EQUITY SHARES FOR AN AMOUNT AGGREGATING UP TO ₹ 400.00 MILLION, AT ITS DISCRETION, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER CONSTITUTING AT LEAST 10% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A KANNADA DAILY NEWSPAPER (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE AND NSE (TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 380.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price (determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 113 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 26.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder or any other persons(s)

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 402.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
AXIS CAPITAL	ICICI Securities	JM FINANCIAL	SBICAPS Complete Investment Banking Solutions	KFINTECH
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** stanley.ipo@axiscap.in **Investor grievance e-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person:** Mayuri Arya / Pratik Pednekar **SEBI Registration No.:** INM000012029	**ICICI Securities Limited** ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** stanley.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com. **Website:** www.icicisecurities.com **Contact Person:** Kristina Dias/ Namrata Ravasia **SEBI Registration No.:** INM000011179	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** stanleylifestyles.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact Person:** Prachee Dhuri **SEBI Registration No.:** INM000010361	**SBI Capital Markets Limited#** 1501, 15th Floor, A & B Wing Parinee Crescenzo G Block, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4006 9807 **E-mail:** stanley.ipo@sbicaps.com **Investor grievance e-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Janardhan Wagle/Krithika Shetty **SEBI Registration No.:** INM000003531	**KFin Technologies Limited** ***(formerly known as KFin Technologies Private Limited)*** Selenium, Tower B, Plot No.31-32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: sll.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M Murali Krishna **SEBI Registration No.**: INR000000221

BID/ OFFER PROGRAMME

BID/ OFFER OPENS ON*	[●]
BID/ OFFER CLOSES ON**	[●]***

* *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

** *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may in consultation with the Book Running Lead Managers, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

****The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.*

 # SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for Offer Price", "History and Certain Corporate Matters", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure", and "Description of Equity Shares and Terms of the Articles of Association" on pages 119, 126, 200, 113, 205, 235, 349, 380 and 398, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company"/ "the Company", "the Issuer"	Stanley Lifestyles Limited, a public limited company incorporated under the Companies Act, 1956 with its registered and corporate office at SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 100, Karnataka, India
"we"/ "us" / "our" / "Group"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as at and during the relevant period/ Fiscal Year

Company Related Terms

Term	Description
"Articles of Association", "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
ASPL	ABS Seating Private Limited
Assignment Deeds	Collectively, Copyright Assignment Deed and Trademark Assignment Deed
Audit Committee	The audit committee of our Board, as described in "*Our Management - Committees of the Board – Audit Committee*" on page 221
"Board" or "Board of Directors"	The board of directors of our Company, as described in "*Our Management*" beginning on page 216
Committee(s)	Duly constituted committee(s) of our Board
Company Secretary and Compliance Officer	Akash Shetty, Company Secretary and Compliance Officer of our Company
Copyright Assignment Deed	Copyright Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board – Corporate Social Responsibility Committee*" on page 225
Director(s)	The directors on our Board. For details see, "*Our Management*" on page 216
Escrow Agreement	Escrow agreement dated August 16, 2018 entered between our Company, one of our Promoters, Sunil Suresh, Oman India Joint Investment Fund II and Axis Trustee Services Limited, which will be terminated pursuant to the letter agreement dated September 4, 2023 entered into between our Company, one of our Promoters, Sunil Suresh, Oman India Joint Investment Fund II and Axis Trustee Services Limited.
ESOP 2022	Stanley Lifestyles Limited Employee Stock Option Plan, 2022
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
Executive Director(s)	Executive director(s) of our Company. For further details of our Executive Directors, see "*Our Management*" on page 216
Group Chief Financial Officer	Pradeep Kumar Mishra, chief financial officer of our Company
Independent Directors	The independent directors of our Company, appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 216
"Key Managerial Personnel" or "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management*" beginning on page 216
Material Subsidiaries	Collectively, ASL, SDPL, SOSL, SRL and SSPL
"Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee" or "NRC Committee"	The nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board - Nomination and Remuneration Committee*" on page 223

Term	Description
Non-Executive Director(s)	Non-executive director(s) of our Company. For further details of our Non-executive Directors, see "*Our Management*" on page 216
Oman India Joint Investment Fund II	Oman India Joint Investment Fund II, acting through its trustee Oman India Joint Investment Fund Trustee Company Private Limited, represented by its investment manager, Oman India Joint Investment Fund – Management Company Private Limited
Promoters	Sunil Suresh and Shubha Sunil
Promoter Group	Individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoters and Promoter Group*" on page 231
RedSeer	RedSeer Management Consulting Private Limited
"RedSeer Report" or "Industry Report"	The report titled "*Deep Dive into Luxury and Super-Premium Furniture Industry*" dated September 2023, prepared and issued by RedSeer, which has been commissioned by and paid for by our Company exclusively for the purposes of the Offer, pursuant to engagement letter dated April 11, 2023
Registered and Corporate Office	SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru 560 100, Karnataka, India
"Registrar of Companies" or "RoC"	The Registrar of Companies, Karnataka at Bengaluru
Restated Consolidated Financial Information	Restated consolidated financial information of our Company and our Subsidiaries as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 comprising the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, each for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended from time to time and e-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards for the relevant period mentioned herein, as applicable
Risk Management Committee	The risk management committee as described in "*Our Management-Committees of the Board – Risk Management Committee*" on page 224
Sana Lifestyles	Sana Lifestyles Limited
SDPL	Shrasta Décor Private Limited
Shareholder(s)	The shareholder(s) of our Company from time to time
SHIL	Scheek Home Interiors Limited
SSPL	Staras Seating Private Limited
SOSL	Stanley OEM Sofas Limited
SRL	Stanley Retail Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee as described in "*Our Management - Committees of the Board – Stakeholders' Relationship Committee*" on page 224
"SSHA" or "Shareholders' Agreement"	Subscription and Shareholders' Agreement dated July 25, 2018, executed between our Company, Oman India Joint Investment Fund II and the Promoters, as amended pursuant to the first addendum dated August 28, 2018
"Senior Management Personnel" or "SMP"	The senior management personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "*Our Management"* beginning on page 216
Shareholder(s)	The Shareholder(s) of our Company from time to time
"Statutory Auditors" or "Auditors"	M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of our Company
"Subsidiary" or "our Subsidiary" or "Subsidiaries"	The subsidiaries of our Company namely, ASPL, Sana Lifestyles, SDPL, SHIL, SOSL, SRL, and SSPL as disclosed in "*History and Certain Corporate Matters – Our Subsidiaries*" on page 208
Trademark Assignment Deed	Trademark Assignment deed dated August September 1, 2023 between one of our Promoters, Sunil Suresh and our Company.
Waiver cum Amendment Agreement	Waiver cum Amendment Agreement dated August 30, 2023 to the Shareholders' Agreement, executed between our Company, Oman India Joint Investment Fund II and the Promoters
Whole Time Director	A whole-time director of our Company. For further details, see "*Our Management*" on page 216

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offered Shares pursuant to the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders

Term	Description
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A QIB, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
“Anchor Investor Bid/Offer Period”	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/ Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
“ASBA Bidders” or “ASBA Bidder”	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Account Bank and Sponsor Banks, as the case maybe
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For further details, see “*Offer Procedure*” on page 380
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid. However, RIBs can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such RIBs mentioned in the Bid cum Application Form.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the

Term	Description
	Designated Intermediaries will not accept any Bids, which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the revised Bid/ Offer Closing Date shall be notified on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, and shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date will be published
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, Axis, ISec, JM Financial and SBICAPS* * *SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.*
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
Cash Escrow and Sponsor Banks Agreement	The cash escrow and sponsor banks agreement to be entered into between and amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, inter alia, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalised by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only RIBs in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms.

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs and HNIs bidding with an application size of ₹ 0.50 million (not using UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 4, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA NDI Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being, [●]
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 2,000.00 million by our Company. Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
General Information Document or GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, suitably modified and updated pursuant to, among others, the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020
Gross Proceeds	The gross proceeds of the Fresh Issue that will be available to our Company
"Independent Chartered Accountant" or "ICA"	N B T and Co, Chartered Accountants
Investor Selling Shareholder	Oman India Joint Investment Fund II

Term	Description
ISec	ICICI Securities Limited
JM Financial	JM Financial Limited
Materiality Policy	The policy adopted by our Board on August 31, 2023 for identification of group companies, material outstanding litigation, and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between and amongst our Company and the Monitoring Agency
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Gross Proceeds less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" on page 87
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs or RIBs and who have Bid for Equity Shares, for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more less 15% of the Offer comprising [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹ 1.00 million: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA NDI Rules
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 2 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million.
Offer Agreement	The offer agreement dated September 4, 2023 entered into between and amongst our Company, the Selling Shareholders, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale (net of their proportion of Offer-related expenses and the relevant taxes thereon) which shall be available to the Selling Shareholders. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" on page 87
Offered Shares	Up to 9,133,454 Equity Shares aggregating up to ₹ [●] million offered by the Selling Shareholders in the Offer for Sale.
Individual Selling Shareholders	Kiran Bhanu Vuppalapati and Sridevi Venkata Vuppalapati
Pre – IPO Placement	Our Company, in consultation with the Book Running Lead Managers, may consider a further issue of Equity Shares as may be permitted under applicable law to any person(s) of such Equity Shares for cash consideration aggregating up to ₹ 400.00 million, in accordance with the Waiver cum Amendment Agreement, at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers and will be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Promoter Selling Shareholders	Sunil Suresh and Shubha Sunil

Term	Description
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, 2013 with the Public Offer Account Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of not more than [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Bid/ Offer Opening Date shall be at least three Working Days after the filing of the Red Herring Prospectus with the RoC and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened and in this case being, [●]
Registered Brokers	The stock brokers registered under SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated September 4, 2023 entered into between and amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or "RII(s)" or "RIB(s)"	Resident Indian individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SBICAPS	SBI Capital Markets Limited* * *SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer*.
SCORES	SEBI Complaints Redress System, a centralized web based complaints redressal system launched by SEBI
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate,

Term	Description
	the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Selling Shareholders	Collectively, the Promoter Selling Shareholders, the Investor Selling Shareholder and Individual Selling Shareholders
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into between and amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank(s)	[●] and [●] being Bankers to the Offer registered with SEBI, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement to be entered into between and amongst our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to carry out activities as an underwriter, namely [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms
"Syndicate" or "members of the Syndicate"	Together, collectively, the Book Running Lead Managers and the Syndicate Members
"Updated Draft Red Herring Prospectus" or "UDRHP"	The updated draft red herring prospectus to be shown to SEBI post incorporation of observations from SEBI on this Draft Red Herring Prospectus in connection with the Offer, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into between and amongst our Company, the Selling Shareholders, and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) RIBs in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.5 million using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no.

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read along with SEBI RTA Master Circular, SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	A password to authenticate a UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/ Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Technical, Industry related Terms or Abbreviations

Term	Description
BIS	Bureau of Indian Standard
CAGR / Compounded Annual Growth Rate	CAGR is calculated as (ending value / beginning value) ^ (1 / number of years) – 1.
Cash Conversion Cycle	Cash Conversion Cycle is sum of Trade Receivable Days and Inventory Days as reduced by Trade Payable Days.
CEBR	Centre for Economics and Business Research
Capital Employed	Capital Employed is calculated as the sum of total equity, current borrowings, non-current borrowings, current lease liabilities, non-current lease liabilities and as reduced by goodwill on consolidation, intangible assets and intangible assets under development
COCO	Company Owned Company Operated
EBIT	EBIT is calculated as restated profit for the year plus total tax expense plus finance costs
EBITDA	EBITDA is calculated as restated profit for the year, plus total tax expenses, finance costs and depreciation and amortization expense less other income.
EBITDA Margin	EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
FEPCI	Furniture Export Promotion Council of India
FOFO	Franchisee Owned and Franchisee Operated
FSC	Forest Stewardship Council
GDP per capita	GDP per capita is the sum of gross value added by all resident producers in the economy
GEN Z	Generation Z
GNDI	Gross National Disposable Income
Gross Margin	Gross Margin is calculated as gross profit divided by revenues from operations
Gross Profit	Gross Profit is calculated as revenues from operations less the cost of goods sold. Cost of goods sold is the sum of cost of materials consumed, purchases of stock-in-trade and increase/ decrease in inventories
HNI	High-net-worth individuals
IMF	International Monetary Fund
IMFA	Indian Furniture Manufacturers Association
Inventory Turnover Ratio	Inventory Turnover Ratio is calculated as cost of goods sold / average inventory
Inventory Days	Inventory Days is calculated as 365 divided by (cost of goods sold / average inventory). Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and Change in inventories
Luxury	Furniture priced more than ₹ 0.15 million
Masstige	Furniture priced in between ₹ 0.03-0.07 million
Mass	Furniture priced less than ₹ 0.07 million
Metro cities	Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Kolkata, Pune, and Ahmedabad (8 cities)
NCAER	National Council of Applied Economic Research
NRI	Non-resident Indian
Nominal GDP	Nominal GDP is the GDP unadjusted for the effects of inflation and is at current market price

Term	Description
PAT Margin	PAT Margin is calculated as restated profit after tax for the year as a percentage of revenue from operations
PFCI	Private Final Consumption Expenditure
PLI	Production Linked Scheme
PMAY	The Pradhan Mantri Awas Yojna
Premium	Furniture priced in between ₹ 0.07-0.15 million
ROCE / Return on Capital Employed	ROCE is calculated as EBIT divided by Capital Employed.
ROE / Return on Equity	ROE is calculated as restated profit after tax divided by average shareholder's equity.
SKUs	Stock-keeping Unit
Tier-I cities	Non-metro cities with population more than one million (20 cities)
Tier-II+ cities	Non-metro cities with population less than one million (4,400+ cities)
Trade Payable Days	Trade Payable Days is calculated as 365 divided by (total purchase of raw material and stock in trade / average trade payables)
Trade Receivables Days	Trade Receivables Days is calculated as 365 divided by (Revenue from operations / average trade receivables)
UHNWI	Ultra-high net worth individuals
UN	United Nations

Conventional and General Terms or Abbreviations

Term	Description
"₹", "Rs.", "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
AGM	Annual general meeting
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as amended, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP or Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
"FEMA Non-debt Instruments Rules" or "FEMA NDI Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
"Financial Year", "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax

Term	Description
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards, as issued by the International Accounting Standards Board
Ind AS 24	Indian Accounting Standard 24- Related Party Disclosures
Ind AS 34	Indian Accounting Standard 34 – Interim Financial reporting
Ind AS 37	Indian Accounting Standard 37- Provisions, Contingent Liabilities and Contingent Assets
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP/ IGAAP	Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and Companies (Accounting Standards) Amendment Rules, 2016, as amended
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income-tax Act, 1961, as amended
KYC	Know your customer
MCA	Ministry of Corporate Affairs
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
N.A.	Not applicable
NACH	National Automated Clearing House
"NAV" or "Net Asset Value"	Net asset value per share represents net worth at the end of the year/period divided by the weighted average number of shares outstanding during the period/year post the proposed issuance of equity shares against the outstanding options under ESOP scheme.
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, as amended or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
"RoNW" or "Return on Net Worth"	Restated profit/(loss) attributable to equity holders of the parent divided by total equity attributable to equity holders of the parent.
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Offer) Regulations, 1994, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Master Circular	SEBI master circular bearing reference number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094, dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Term	Description
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TAN	Tax deduction account number
"U.S.A.", "U.S.", "US" or "United States of America"	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States
U.S. SEC	Securities and Exchange Commission of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USD or US$	United States Dollars
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references to the:

"U.S.", "US", "U.S.A." or "United States" are to the United States of America and its territories and possessions;

In this Draft Red Herring Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" on page 235.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Information, which comprise the restated consolidated statement of assets and liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, each for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information, prepared as per the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended from time to time and e-mail dated October 28, 2021 from SEBI to Association of Investment Bankers of India, instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards for the relevant period mentioned herein, as applicable. For further information, see "*Summary of Financial Information*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 63, 235 and 320, respectively.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*." on page 59.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Draft Red Herring Prospectus.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Net Worth, Return on Net Worth, Net Asset Value per Equity Share, EBITDA, EBITDA Growth, Revenue from Operations Growth, EBITDA Margin, gross profit, gross margin, PAT Growth, PAT Margin, Return on Capital Employed, Company

Adjusted Profit for the year ("**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the period/years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, the Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate an entity's operating performance.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States.
- "Euro" or "€" are to Euro, the official currency of certain member states of the European Union;
- "GBP" or "£" are to British Pound Sterling, the official currency of the United Kingdom;
- "AED" are to United Arab Dirham, the official currency of the United Arab Emirates;
- "JPY" or "Yen" are to Japanese Yen, the official currency of Japan; and
- "NOK" are to Norwegian Krone, the official currency of Norway

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All per share and percentage figures have been rounded off to one/ two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

(Amount in ₹, unless otherwise specified)

Currency	**Exchange rate as at**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
1 USD	82.22	75.81	73.50
1 Euro	89.61	84.66	86.10
1 GBP	101.87	99.55	100.95
1 AED	22.36	20.55	19.94
100 JPY	61.8	62.23	66.36
1 NOK	7.88	8.76	8.56

Source: www.fbil.org.in and www.oanda.com
Note: The exchange rates are rounded off to two decimal places and in case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from the RedSeer Report, and publicly available information as well as other industry publications and sources.

RedSeer is an independent agency which has no relationship with our Company, our Promoters, any of our Directors or Key Managerial Personnel or the Book Running Lead Managers. The RedSeer Report has been exclusively commissioned by our Company pursuant to an engagement letter with RedSeer dated April 11, 2023, for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer. The RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf.

Excerpts of the RedSeer Report are disclosed in this Draft Red Herring Prospectus and there are no parts, information or data from the RedSeer Report which would be relevant for the Offer that have been left out or changed in any manner by our Company for the purposes of this Draft Red Herring Prospectus. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable, on account of there being no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose*" on page 49. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of RedSeer

This Draft Red Herring Prospectus contains data and statistics from certain reports and the RedSeer Report, which is subject to the following disclaimer:

"*The market information in the report titled "Deep Dive into Luxury and Super-Premium Furniture Industry" ("**RedSeer Report**") is arrived at by employing an integrated research methodology which includes secondary and primary research. Redseer's primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. Redseer's estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. Redseer's research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. Any financial information pertaining to peer group companies provided in this Report has been obtained from filings made by such companies with the Registrar of Companies or as publicly available on their respective websites. No independent research, analysis or verification has been made by Redseer in respect of such financial information.*

While Redseer has taken due care and caution in preparing RedSeer Report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, data availability, amongst others

Forecasts, estimates and other forward-looking statements contained in this Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 coronavirus pandemic has significantly affected economic activity in generaland it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in this Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.

This Report is not a recommendation to invest/disinvest in any entity covered in the Report and this Report should not be construed as investment advice within the meaning of any law or regulation. Therefore, reliance should not be placed on this Report for making any investment decisions

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FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We do not own the brand name "Stanley" which is registered in the name of one of our Promoters, Sunil Suresh. While we have entered into the Assignment Deeds with one of our Promoters, Sunil Suresh, however, the trademarks are yet to be registered in our name. In the event that the intellectual property rights to be assigned to us pursuant to the Assignment Deeds are not registered in our name in a timely manner our business and financial condition could be adversely affected.

2. One of our Promoters, Sunil Suresh has entered into a co-existence agreement with Stanley Furniture Company, Inc to limit and restrict the use of the term "Stanley" as a trademark in a composite manner in respect of products. Any breach or termination of the agreement may adversely affect our business and financial condition;

3. Our business is highly dependent on the sale of sofas and recliners. Variations in demand and changes in consumer preference for our sofa and recliner products could have an adverse effect on our business, results of operations and financial condition.

4. Failure to effectively promote or develop the "Stanley" brand could materially and adversely affect our business performance and brand perception.

5. Any lack of requisite approvals, licenses or permits applicable to our business operation may have an adverse impact on our business, financial condition and results of operations.

6. We generated a substantial portion of our sales from our stores located in southern regions of India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.

7. Any delay, interruption, or reduction in the supply of key raw materials such as leather and wood required to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

For discussion regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 126, 171, and 320, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, KMPs, the Selling

Shareholders, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company and the Book Running Lead Managers are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themself as a Selling Shareholder and their respective portion of the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant for prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including in "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", "Restated Consolidated Financial Information", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 26, 61, 74, 87, 126, 171, 231, 235, 380, 349 and 398, respectively.

Summary of the business of our Company

We are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022 (*Source: RedSeer Report*). We are also among the few home-grown super-premium and luxury consumer brands in India operating at scale in terms of manufacturing as well as retail operations in Fiscal 2022 (*Source: RedSeer Report*). We have the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands (*Source: RedSeer Report*).

Summary of the industry in which our Company operates (Source: RedSeer Report)

The boom in the real estate market in India has enabled the furniture market in India to experience a high growth trajectory. In Fiscal 2021, the organised market accounted for 23% of the total furniture and home goods market, which increased to 26% by Fiscal 2023. Furthermore, by Fiscal 2027, the organised market is expected to contribute to 35% of the total market share, exhibiting an annual growth rate of 36%, which surpasses the growth rate of the traditional market.

Our Promoters

Sunil Suresh and Shubha Sunil are the Promoters of our Company. For further details, see "*Our Promoters and Promoter Group*" beginning on page 231.

Offer size

The following table summarizes the details of the Offer size:

Offer of Equity Shares*(1)(2)	Up to [●] Equity Shares aggregating up to ₹ [●] million
of which:	
(i) Fresh Issue*(1)	Up to [●] Equity Shares aggregating up to ₹ 2,000.00 million
(ii) Offer for Sale(2)	Up to 9,133,454 Equity Shares aggregating up to ₹ [●] million

* *Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 400.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR*

(1) *The Fresh Issue has been authorized by a resolution of our Board at their meeting held on August 31, 2023 and a special resolution passed by our Shareholders at their meeting held on August 31, 2023.*

(2) *Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 4, 2023. For details on the consent and authorisations of the Selling Shareholders in relation to the Offer for Sale, see "The Offer" beginning on page 61.*

(3) *Each Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations.*

Name of the Selling Shareholder	***Maximum number of Equity Shares offered in the Offer for Sale***	***Date of resolution***	***Date of consent letter***
Promoter Selling Shareholders			
Sunil Suresh	*1,182,000*	-	*September 4, 2023*
Shubha Sunil	*1,182,000*	-	*September 4, 2023*
Investor Selling Shareholder			
Oman India Joint Investment Fund II	*5,544,454*	*August 9, 2023*	*September 4, 2023*
Individual Selling Shareholders			
Kiran Bhanu Vuppalapati	*1,000,000*	-	*September 4, 2023*
Sridevi Venkata Vuppalapati	*225,000*	-	*September 4, 2023*

The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.

For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 61 and 377, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Objects	Estimated Amount (in ₹ million)
Expenditure for opening the New Stores	901.27
Expenditure for opening the Anchor Stores	399.90
Expenditure for renovation of the Existing Stores	100.40
Funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and our Material Subsidiary, SOSL	81.85
General corporate purposes (1)	[●]
Total#	[●]

(1) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.*

For further details, see "*Objects of the Offer*" beginning on page 87.

Aggregate pre-Offer Shareholding of our Promoters, the members of our Promoter Group (other than our Promoters) and the Selling Shareholders

a) Promoters and Promoter Group (other than our Promoters)

Sl. No.	Name of the Shareholder	Number of Equity Shares as on the date of this Draft Red Herring Prospectus	% of total pre-Offer paid up equity share capital*
Promoters			
1.	Sunil Suresh#	17,375,547	33.68%
2.	Shubha Sunil#	17,375,533	33.68%
Promoter Group (other than our Promoters)			
3.	Suresh S	4,200	Negligible^

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*
#Also, a Selling Shareholder
^ Less than 0.01%

b) Selling Shareholders

Sl. No.	Name of the Selling Shareholder	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	% of total pre-Offer paid up equity share capital*
Promoter Selling Shareholders			
1.	Sunil Suresh	17,375,547	33.68%
2.	Shubha Sunil	17,375,533	33.68%
Investor Selling Shareholder			
3.	Oman India Joint Investment Fund II	13,861,134	26.86%
Individual Selling Shareholders			
4.	Kiran Bhanu Vuppalapati	1,946,847	3.77%
5.	Sridevi Venkata Vuppalapati	317,107	0.61%

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

For further details, see "*Capital Structure*" on page 74.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information**:**

(in ₹ million, except as otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Equity share capital	73.71	73.71	73.71
Net Worth	2,165.02	1,997.55	1,829.32
Revenue from operations	4,189.98	2,922.04	1,957.80
Restated profit/ (loss)	349.77	232.19	19.23
Restated earnings/ (loss) per Equity Share			
- Basic per Equity Share with a nominal value of ₹2 (in ₹)	6.37	4.14	0.20
- Diluted earnings per Equity Share with a nominal value of ₹2 each (in ₹)	6.37	4.14	0.20
NAV per equity share (in ₹)	41.96	38.71	35.45
Current liabilities - Financial liabilities - borrowings **(A)**	91.41	55.28	1.41
Non-current liabilities - Financial liabilities - borrowings **(B)**	2.29	5.58	1.12
Total borrowings **(A+B)**	93.70	60.86	2.53

(i) Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.
(ii) On June 23, 2023, our Company alloted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Shares for every 5 existing fully paid up Equity Shares.

Notes:

A. *The ratios have been computed as follows:*
   i. *Earnings Per Share (Basic) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year, adjusted with subdivision of equity shares and issue of bonus shares subsequent to March 31, 2023.*
   ii. *Earnings Per Share (Diluted) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year, adjusted with subdivision of equity shares and issue of bonus shares subsequent to March 31, 2023.*
   iii. *Return on Net worth (%) = Restated profit/(loss) attributable to the owners of the Company divided by total equity attributable to equity shareholders of the Company (excluding non-controlling interests).*
   iv. *Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted average number of equity shares outstanding during the period/year after sub division of Equity shares.*

B. *Accounting and other ratios are derived from the Restated Consolidated Financial Information.*

C. *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

D. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*

E. *Earnings per share calculations are in accordance with Ind AS 33.*

For further details, see "*Other Financial Information*" on page 313.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications of Statutory Auditors which has not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries as on the date of this Draft Red Herring Prospectus, is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	Nil	Nil	Nil	Nil	Nil	NA
Against our Company	Nil	8	6	Nil	1	65.98
Directors#						
By the Directors	Nil	Nil	Nil	Nil	Nil	NA
Against the Directors	Nil	15	Nil	Nil	Nil	32.20
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	NA
Against the Promoters	Nil	14	Nil	Nil	Nil	31.86
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	NA
Against the Subsidiaries	Nil	6	5	Nil	Nil	10.08

#Includes Promoters.
**To the extent quantifiable.*

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company.

For further details of the outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries, see "*Outstanding Litigation and Material Developments*" beginning on page 349.

Risk Factors

Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 26.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

(₹ in million)

Nature of Contingent Liability	As at March 31, 2023
(i) Contingent liabilities:	
Income tax (relating to disallowance of expenses/ deduction, expense claimed & adjustments)(1)	1.12
Atria mall case(2)	26.34
Others (relating to consumer complaints and other matters)	1.80
Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	7.88
Capital Account contract with Interiocraft Private Limited	2.68
(ii) Commitments:	
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	25.72

Notes:

(1) An order under Sections 201(1) and 201A of the Income Tax Act, 1961 has been received, invoking the provision under Section 2(22)(e) of Income Tax Act, 1961 treating intercompany transactions as a deemed dividend. The demand is for ₹ 1.40 million and we have appealed against the same by remitting 20%, i.e., ₹ 0.28 million under dispute. In Fiscal 2022, the appeal has been allowed in our favour and subsequent to the year end, we have applied for a refund of ₹ 0.28 million.

(2) M/s Alif Enterprises and others have filed a suit against us for non-payment of rent, hoarding and other maintenance charges for the space allocated in Atria Mall which amounts to ₹ 26.34 million. We have filed a counter claim against M/s Alif Enterprises and others for loss suffered due to poor maintenance in Atria Mall.

(3) A sum of ₹ 2.68 million under litigation presently before West District Legal Service Authority pertaining to Capital Account contract with Interiocraft Private Limited. The management of our Company is of the opinion that the case would be settled favourably and hence there is no necessity to provide for any anticipated liability.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with SEBI ICDR Regulations entered into by our Company with related parties as at and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, derived from our Restated Consolidated Financial Information are as follows:

Particulars	As of and for the Fiscal		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
a) Summary of Related Party Transactions			
Stanley Retail Limited			
Sales	1,085.10	735.80	548.40
Common expenses	107.27	127.14	78.60
Purchases	5.10	0.20	4.80
Recovery of expenses	3.52	0.29	0.70
Reimbursement of Expenses	-	1.18	0.70
Loan	43.00	86.50	30.50
Interest on loan	0.06	5.80	9.00
Received for unbilled revenue	-	42.41	-
Investment made during the year	16.60	200.00	-
Transfer of gratuity liabilities on transfer of employees	-	-	1.80
Transfer of leave encashment liabilities on transfer of employees	-	-	0.20
Stanley OEM Sofas Limited			
Sales	69.80	57.95	46.66
Common expenses	14.08	10.65	5.08
Purchases	6.62	2.02	25.28
Recovery of expenses	-	16.30	3.32
Rental deposit received	-	15.00	-
Reimbursement of Expenses	-	0.07	0.48
Interest on loan	8.80	6.17	5.76
Rental Income	15.70	-	-
Sana Lifestyles Limited			
Sales	35.09	27.80	31.94
Reimbursement of expenses	0.25	-	-
Shrasta Décor Private Limited			
Sales	200.20	119.87	91.39
Purchases	-	-	0.27
Reimbursement of expenses	1.02	-	-

Particulars	As of and for the Fiscal		
	March 31, 2023	March 31, 2022	March 31, 2021
ABS Seating Private Limited			
Sales	144.33	103.19	9.39
Staras Seating Private Limited			
Sales	155.25	144.96	8.59
Purchases	-	0.03	0.61
b) Summary of other Related Party Transactions			
Sass Kitchens			
Sales	-	2.30	1.90
Reimbursement of expenses	-	0.07	0.10
Stanley Estates and Leisure			
Sales	0.33	0.10	21.20
Reimbursement of expenses	0.42	0.10	-
Purchases	0.18	0.35	-
Advertisement & Business Promotion expenses	-	-	0.10
Seating World			
Sales	2.68	6.87	0.65
Purchases	27.37	7.64	0.34
Reimbursement of statutory payment	-	0.34	-
Reimbursement Paid for expenses	0.39	-	-
Design Eight			
Purchase	24.13	54.81	0.46
Sales	-	1.53	0.39
Reimbursement of expenses	7.67	20.18	0.18
Reimbursement paid for Statutory payments	25.86	0.53	-
Design Eight Private Limited			
Purchase	52.98	20.85	2.27
Sales	-	0.95	0.07
Reimbursement paid for Statutory payments	-	0.81	-
Capital Advance	5.00	-	-
Sunil Suresh			
Salary / Perquisites	18.27	14.00	8.40
Dividend	51.52	16.80	-
Royalty	10.17	10.40	12.22
Sales	0.23	0.90	2.20
Shubha Sunil			
Salary / Perquisites	19.54	15.10	8.30
Dividend	51.52	16.80	-
Sales	-	30.00	10.70
Advance received	-	-	0.50
Sonakshi Sunil			
Salary / Perquisites	0.24	0.60	0.30
Yusuf Merchant Abdullah			
Salary / Perquisites	3.96	3.25	2.70
Rajesh Manghnani			
Salary / Perquisites	1.80	1.80	1.61
Loan received during year	23.93	-	-
Sharmila Manghnani			
Salary / Perquisites	1.80	1.80	1.61
Loan received during year	23.92	-	-
Haneet Singh Chawla			
Salary / Perquisites	1.68	1.60	1.27
Suchit Kaur Chawla			
Salary / Perquisites	-	-	0.38

Particulars	As of and for the Fiscal		
	March 31, 2023	March 31, 2022	March 31, 2021
Rupinder Chawla			
Salary / Perquisites	1.38	1.10	0.70
Kiran Bhanu Vuppalapati			
Salary / Perquisites	-	6.20	5.20
Dividend	-	1.90	-
Aldous			
Purchases	1.78	-	-
Saleem Khan			
Salary / Perquisites	-	1.30	-
Advance for Salaries	-	-	0.40
Rajagopal Sethuraman			
Salary / Perquisites	-	-	6.80
Pradeep Mishra			
Salary / Perquisites	2.76	-	-
Dhanish Manghnani			
Salary / Perquisites	1.80	0.60	-
Muniramaiah Chennampalli			
Salary / Perquisites	2.70	2.70	-
Jithesh Bansal			
Salary / Perquisites	-	-	0.11
Akash Shetty			
Salary / Perquisites	1.12	0.10	-
Srinath Srinivasan			
Director sitting fees	0.22	0.03	0.12
Sagarvasude Venkatesh Kamath			
Director sitting fees	0.24	0.04	-
Vishal Verma			
Director sitting fees	0.20	-	-
Girish Nandkarni			
Director sitting fees	0.16	-	-
John Douglas Collier			
Director sitting fees	-	-	0.12
Satish Chavva			
Director sitting fees	-	0.04	0.12
Peruvamba Subramaniam Jagdish			
Director sitting fees	-	0.04	0.12
Srikanth Murthy			
Director sitting fees	-	0.04	0.12

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 315.

Issuances of Equity Shares made in the last one year for consideration other than cash (excluding bonus issuance)

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of price at which equity shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Promoters, members of the Promoter Group, the Selling Shareholders, and Shareholder(s) with nominee director rights or other rights have not acquired any Equity Shares in the last three years preceding the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the acquirer/ Shareholder	Date of acquisition	Number of equity shares acquired^	Face value (in ₹)@	Cost of acquisition per equity share (in ₹)*
Promoter Selling Shareholders					
1.	Sunil Suresh	June 23, 2023	4,964,442	2	Nil
2.	Shubha Sunil	June 23, 2023	4,964,438	2	Nil
Investor Selling Shareholder					
3.	Oman India Joint Investment Fund II#	June 23, 2023	3,960,324	2	Nil
Individual Selling Shareholders					
4.	Kiran Bhanu Vuppalapati	June 23, 2023	556,242	2	Nil
5.	Sridevi Venkata Vuppalapati	June 23, 2023	90,602	2	Nil
Promoter Group (other than Promoters)					
6.	Suresh S	June 23, 2023	1,200	2	Nil

** As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated September 4, 2023.*
 # Shareholders with special rights to nominate a director on our Board.
^Allotment pursuant to bonus issuance of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held by eligible shareholders as on the record date of our Company holding Equity Shares.
@Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.

Weighted average price at which equity shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which equity shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus is as follows:

Name of the Selling Shareholder	Number of equity shares acquired in the one year preceding the date hereof^	Weighted average price of acquisition per equity share (in ₹)*
Promoter Selling Shareholders		
Sunil Suresh	4,964,442	Nil
Shubha Sunil	4,964,438	Nil
Investor Selling Shareholder		
Oman India Joint Investment Fund II	3,960,324	Nil
Individual Selling Shareholders		
Kiran Bhanu Vuppalapati	556,242	Nil
Sridevi Venkata Vuppalapati	90,602	Nil

**As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated September 4, 2023.*
^Allotment pursuant to bonus issuance of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held by eligible shareholders as on the record date of our Company holding Equity Shares.

Weighted average cost of acquisition of all shares transacted in the last eighteen months

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition^	Range of acquisition price: Lowest Price – Highest Price (in ₹)#
Last 18 months	350.00	[●]	350.00-350.00

**As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated September 4, 2023.*
^To be updated in the Prospectus following finalisation of Cap Price, as per the finalised Price Band.
#Excluding Gift and Bonus transactions

Average cost of acquisition for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share acquired by our Promoters and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus is:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
Promoter Selling Shareholders		
Sunil Suresh	17,375,547	3.05
Shubha Sunil	17,375,533	3.05
Investor Selling Shareholder		
Oman India Joint Investment Fund II	13,861,134	108.22
Individual Selling Shareholders		
Kiran Bhanu Vuppalapati	1,946,847	5.73
Sridevi Venkata Vuppalapati	317,107	27.86

**As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated September 4, 2023.*

Details of pre-IPO placement

Our Company in consultation with the Book Running Lead Managers, may consider the Pre-IPO Placement of such Equity Shares as may be permitted under applicable laws for an amount aggregating up to ₹ 400.00 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Split or Consolidation of equity shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

Our Company has undertaken a split of 7,371,024 equity shares having face value of ₹ 10 each to 36,855,120 equity shares having face value of ₹ 2 each. For further details, see *"Capital Structure – Notes to the Capital Structure – Share capital history of our Company – (a) Equity share capital"* on page 75.

Exemption from complying with any provisions of SEBI ICDR Regulations, if any, granted by SEBI

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus.

The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Key Regulations and Policies", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Financial Information" on pages 126, 171, 200, 320 and 235, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. In making an investment decision, prospective investors must rely on their own examinations of us, our business and the terms of the Offer, including the merits and the risks involved.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 16.

Unless otherwise indicated, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 235. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Stanley Lifestyles Limited and its subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Deep Dive into Luxury and Super-Premium Furniture Industry" dated September 2023 (the "**RedSeer Report**") prepared and issued by RedSeer Management Consulting Private Limited, pursuant to an engagement letter dated April 11, 2023. The RedSeer Report has been exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the RedSeer Report and may have been re-ordered by us for the purposes of presentation. A copy of the RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf. Unless otherwise indicated, financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For more information, see "– Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose." on page 49. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14 .*

Internal Risks

1. We do not own the brand name "Stanley" which is registered in the name of one of our Promoters, Sunil Suresh. While we have entered into the Assignment Deeds with Sunil Suresh, however, the trademarks are yet to be registered in our name. In the event that the intellectual property rights to be assigned to us pursuant to the Assignment Deeds are not registered in our name in a timely manner our business and financial condition could be adversely affected.

We depend on the brands including, *inter alia*, "Stanley Level Next", "Stanley Boutique", and "Sofas & More by Stanley" and their brand equity for our business and operations. The trademarks and copyrights for our primary brands such as and are registered in the name of one of our Promoters, Sunil Suresh in India, whereas the trademarks application for is pending for registration. The trademarks and copyrights associated with such primary brands and other brands which are necessary for our business and operations along with the entire worldwide rights, title and interest in therein, together with any and all intellectual property rights were perpetually and irrevocably assigned, sold, and transferred to our Company ("**Transferred IP**") pursuant to the Assignment Deeds for an aggregate consideration of ₹375 million, which will be paid in a staggered manner. The Transferred IP is necessary for our business and operations as on the date of this Draft Red Herring Prospectus. The Transferred IP consists of a total of (i) 138 trademarks of which, 29 trademarks including , "Stanley Vegan Leather" are currently objected and opposed to; and (ii) 31 copyrights, including for the primary brands, , and .We cannot assure you that we will be able to clear such objections and successfully register the trademarks and copyrights forming part of the objected Transferred IP in our name.

Pursuant to the Assignment Deeds, our Promoter has filed an application with the registry of trademarks for the perpetual assignment of the Transferred IP in our name.

Under the Assignment Deeds, one of our Promoters, Sunil Suresh is permitted to use or file an application and seek registration for any trademark, logo or work of art containing the word "Stanley" either as his trademark or as a part of his other businesses which are not related to our business and operations. Further if either our Company or our Promoter is desirous of undertaking a business using the trademark, tradename, service mark, logo or artworks containing "Stanley" or filing applications and seeking registration for any trademark, tradename, service mark, logo or artworks containing "Stanley" in respect of a business which is currently not being undertaken by our Promoter or our Company, our Company or our Promoter (as the case may be) is required to provide a notice in writing of such an intention to the other, who shall within 30 days from the receipt of such notice, provide a confirmation in writing, whether or not it has already commenced use or launched or ventured into such business. We cannot assure you that we will be able to successfully commence any new business ventures using the tradename "Stanley". For further details, see "*History and Certain Corporate Matters – Other material agreements*" on page 213.

Further, we have applications pending for the registration for our trademarks and copyrights including, *inter alia*, "Harry Cooper", "Karl Hans" which were recently transferred to our Company by one of our Promoters, Sunil Suresh pursuant to trademark and copyright assignment deed dated March 1, 2023 between one of our Promoters, Sunil Suresh and our Company ("**Trademark and Copyright Assignment Deed-I**"). However, the application made for registration of the mark "Angelo Italia" under classes 18, 20 and 24, which was transferred to our Company pursuant to the Trademark and Copyright Assignment Deed-I is objected.

We rely on our trademarks and copyrights to protect our intellectual property, which is critical to our business. The protection of our intellectual property rights may require the expenditure of financial, managerial and operational resources. We rely on a combination of laws and regulations and contractual restrictions to protect our intellectual property. For instance, as per the franchise agreements entered into between our franchise partners and us, the franchise partners shall indemnify us for use of trademarks for unauthorized purposes. Despite our efforts to protect and enforce our proprietary rights, unauthorized parties may use our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary.

We do not have comprehensive registered protection for all of our brands in all jurisdictions in which we operate or plan to operate. We cannot assure you that our pending trademark applications will proceed to registration, and even registered trademarks could be challenged by a third party including by way of revocation or invalidity actions. In addition, there could be potential trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. Any such claims, brand dilution or consumer confusion related to our brands could damage our reputation and brand identity and substantially harm our business, results of operation and financial condition.

Additionally, the process of obtaining intellectual property protection is expensive and time-consuming, and the amount of compensation for damages can be limited. Even if issued, trademarks may not adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of trademark and other intellectual property rights are applied on a case-by-case basis and it is generally difficult to predict the results of any litigation relating to such matters. Any litigation, whether or not it is resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, results of operation and financial condition.

2. ***One of our Promoters, Sunil Suresh has entered into a co-existence agreement with Stanley Furniture Company, Inc to limit and restrict the use of the term "Stanley" as a trademark in a composite manner in respect of products. Any breach or termination of the agreement may adversely affect our business and financial condition.***

One of our Promoters, Sunil Suresh has entered into a co-existence agreement with Stanley Furniture Company, Inc. dated December 15, 2015, under which Sunil Suresh shall limit and restrict the use of registration of the term "*Stanley*" as a trademark in a composite manner (and not used as a single word mark "STANLEY" or "STANLEY FURNITURE") in respect of products made of or upholstered with artificial or natural leather and will further not use the terms "STANLEY" or "STANLEY FURNITURE" on a standalone basis. Our Company has by way of letter dated September 4, 2023 intimated Stanley Furniture Company, Inc. about the Assignment Deeds. While the co-existence agreement does not include any restriction on assignment and extends to the assigns of the parties, since no deed of assignment is executed by Sunil Suresh in favour of our Company, our Company may not be able to enforce its rights against Stanley Furniture, Inc. under this agreement.

Under the terms of the agreement, Sunil Suresh had withdrawn four trademark registrations and filed a request before the trademarks registry to amend the description of goods for the trademark applications filed by Sunil Suresh whereas Stanley Furniture Company, Inc. has agreed to not object to Sunil Suresh's use or registration of marks containing "STANLEY" so long as the term "Stanley" is used as a component combined with other terms and provides that use and registration is limited to only goods made of or upholstered with natural or imitation leather. Further, Stanley Furniture Company, Inc. also withdrew all existing oppositions filed against trademark applications filed by Sunil Suresh and to not initiate any future legal action against Sunil Suresh solely as it related to the use or registration of marks containing "STANLEY" so long as the term "Stanley" is used as a component combined with other terms. Pursuant to the Assignment Deeds, the restrictions against Sunil Suresh will now be transferred to our Company and our Company will be bound by all the restrictions and obligations under the co-existence agreement while enforcing the Transferred IP.

3. ***Our business is highly dependent on the sale of sofas and recliners. Variations in demand and changes in consumer preference for our sofa and recliner products could have an adverse effect on our business, results of operations and financial condition.***

Our business is currently highly dependent on the sale of sofas and recliners. Our sale of sofas and recliners are dependent on a number of factors, and may decline as a result of increased competition, pricing pressures arising out of increase in raw material costs or fluctuations in the demand for or supply of our products and other factors outside our control. In particular, our business is characterized by rapidly changing customer preferences and customization requirements. Our results of operations are dependent on our ability to attract customers by anticipating and responding to such changes in customer preferences, and modifying our existing sofa and recliner products in line with changes in customer demands and preferences.

The table below provides details of the contribution of the sale of various products to our revenue from operations:

Product Category	Fiscals					
	2021		2022		2023	
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)
Sofas and Recliners	1,089.01	55.62%	1,648.14	56.40%	2,402.79	57.35%
Others[(1)]	868.79	44.38%	1,273.90	43.60%	1,787.19	42.65%
Total	**1,957.80**	**100.00%**	**2,922.04**	**100.00%**	**4,189.98**	**100.00%**

[(1)] *Others includes Car Seat Cover, Bed, Mattress, Pillows, Puffees, Dining Table, Dining Chair, Centre Table, Side Table, Console, Kitchen, Wardrobe and other Cabinets; sale of traded goods and sale of raw materials.*

If we are unable to anticipate and gauge customer preferences, or if we are unable to adapt to such changes in a timely basis or at all, we may lose or fail to attract customers, our sofa and recliner inventory may become obsolete and we may be subject to pricing pressure to sell such inventory at a discount. While we have not faced such issues in the past there can be no assurance that such instances will not occur in the future, which in turn could adversely affect our business, results of operations, financial condition and cash flows.

4. ***Failure to effectively promote or develop the "Stanley" brand could materially and adversely affect our business performance and brand perception.***

We sell our products from which we derive almost all of our revenues, under the "Stanley" brand. Brand image is an important factor that affects a customer's purchasing decision. Our success therefore depends on, among other things, market recognition and acceptance of the "Stanley" brand and the culture and lifestyle associated with the brand, as well as our ability to maintain and enhance the value and reputation of the "Stanley" brand, some of which may not be within our control. To effectively promote the "Stanley" brand, we need to build and maintain the brand image by focusing on a variety of promotional and marketing activities to promote brand awareness, as well as to increase brand presence in the markets in which we compete. The table below provides our advertisement and business promotion expenses as a percentage of our total expenses in relevant periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Advertisement and Business Promotion	86.40	4.42%	85.47	3.22%	196.46	5.18%

Many factors, some of which are beyond our control, may negatively impact the "Stanley" brand image and corporate reputation if not properly managed. These factors include our ability to provide superior products and services to our customers, successfully conduct marketing and promotional activities, manage relationship with and among our customers and business partners, and manage complaints and events of negative publicity, maintain positive perception of our Company, our peers and the luxury furniture industry in general. Any actual or perceived deterioration of our service quality, which is based on an array of factors including customer satisfaction, rate of complaint or rate of accident, could subject us to damages such as loss of important customers. Any negative publicity against us, our products and services, operations, directors, senior management, employees, business partners or our peers could adversely affect customer perception of the "Stanley" brand, cause damages to our corporate reputation and result in decreased demand for our solutions and services. While we have not experienced any such major negative publicity in the past three years which had a material impact on our business, however, we cannot assure you that we will not face any negative publicity going forward as our operations increase. The "Stanley" brand and reputation could also be adversely impacted by duplicates or counterfeits passing-off their products under the same brand name as us or which copy the "Stanley" brand without permission. Any impact on our ability to continue to promote the "Stanley" brand or any significant damage to the "Stanley" brand image could materially and adversely affect our revenues and financial condition. If we are unable to promote the "Stanley" brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base, and our business and growth prospects may be adversely affected.

5. ***Any lack of requisite approvals, licenses or permits applicable to our business operation may have an adverse impact on our business, financial condition and results of operations.***

Our operations are subject to extensive laws and government regulations. For further information, see "*Key Regulations and Policies in India*", "*Government and Other Approvals*" and "*Other Regulatory and Statutory Disclosures*" on pages 200, 354 and 357, respectively. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to sanctions imposed by the relevant authorities. We are also subject to laws and regulations governing relationships with employees, including as to minimum wages and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labor, work permits, and maintenance of regulatory and statutory records.

In addition, we are required to obtain and maintain several statutory and regulatory permits and approvals under central, state and local rules in India, generally for carrying out our business. A majority of these approvals are granted for a limited duration and require renewal. For instance, in states where our stores are located, we obtain registrations under the respective shops and establishment acts of those states, wherever enacted or in force. While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities, we are in the process of applying for certain fresh material licenses and registrations which we are required to be obtain such as the trade license for one of our stores. Furthermore, we have applied for certain material approvals such as

a. Our Company has applied for certificate of registration as manufacturer, packer, or importer of pre-packaged commodity for sale, distribution, or delivery under the Legal Metrology Act, 2009, and the Legal Metrology (Packaged Commodities), Rules, 2011, issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, vide application dated July 24, 2023.

b. SLL and SOSL have applied for fire clearance certificate for their respective factories situated at Electronic City, Bengaluru and Bommasandra Jigani Link Road, Bengaluru from the office of the Chief Fire Officer, Bangalore, vide two applications, both dated July 7, 2023.

c. SRL has applied for a trade license from the relevant municipal authority in Karnataka for one warehouse at Electronic City, Bengaluru, vide application dated June 14, 2023.

d. SDPL has applied for a shops and establishments license for its registered office in Bengaluru, Karnataka vide application dated August 18, 2023.

e. SDPL has applied for registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Labour Department, Government of Telangana vide applications dated July 26, 2023.

f. SRL has applied for a trade license from the relevant municipal authority for one store at Mission Road, Bengaluru, Karnataka vide application dated August 8, 2023.

If we do not receive such approvals or are unable to renew the approvals in a timely manner, our business and operations may be adversely affected.

For further information on such approvals, including the approvals and registrations that we have applied for see "*Government and Other Approvals*" on page 354. If we fail to comply with the laws and regulations governing our operations, or the consents and approvals granted to us, or fail to apply for and renew such approvals in a timely manner, or at all, we may be involved and potentially even be held liable in, litigation or other proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. In addition, for the FOFO stores, our franchisee partners are required to maintain all the relevant approvals for operating the FOFO stores in their respective territories as set out in the relevant franchise agreement. In the event, they are unable to maintain the appropriate licenses and approvals required to operate the FOFO Stores, it may directly impact the "Stanley" brand and could lead to store closures which have a material impact on our business, and revenue from operations.

New laws and regulations may be enforced from time to time to require additional licenses and permits other than those we currently have or provide additional requirements on the operation of our business. If the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or provide additional requirements on the operation of any part of our business and we are not able to obtain such approvals, licenses, permits or filings or adjust our business model to comply with such new laws in a timely manner, we could be subject to penalties and operational disruption and our financial condition and results of operations could be adversely affected.

6. ***We generated a substantial portion of our sales from our stores located in southern regions of India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

A substantial portion of our "company owned and company operated" or "**COCO**" stores and "franchisee-owned and franchisee-operated" or "**FOFO**" stores are located in the states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the states or local governments in these states could adversely affect operations at our COCO and FOFO stores.

The table below sets forth details of our revenue from operations across geographies for the periods indicated:

State/Union Territory/Region	**Fiscal 2021**		**Fiscal 2022**		**Fiscal 2023**	
	Total Stores Sales (₹ million)	**Percentage of Total Store Sales (%)**	**Total Stores Sales (₹ million)**	**Percentage of Total Store Sales (%)**	**Total Stores Sales (₹ million)**	**Percentage of Total Store Sales (%)**
Karnataka	1,328.58	67.86%	1,923.50	65.83%	2,602.88	62.12%
Tamil Nadu	111.18	5.68%	142.66	4.88%	173.78	4.15%
Kerala	29.83	1.52%	60.72	2.08%	90.38	2.16%
Andhra Pradesh	-	-	39.16	1.34%	57.88	1.38%
Telangana	115.93	5.92%	253.29	8.67%	520.05	12.41%
Maharashtra	207.05	10.58%	281.45	9.63%	396.84	9.47%
New Delhi	145.20	7.42%	185.03	6.33%	267.69	6.39%
Uttar Pradesh	-	-	-	-	18.63	0.44%
West Bengal	20.04	1.02%	36.23	1.24%	61.86	1.48%
Total	**1,957.80**	**100.00%**	**2,922.04**	**100.00%**	**4,189.98**	**100.00%**

Any adverse development could result in an adverse impact on our inability to meet inventory schedules which could materially affect our business reputation within the industry in such states. Should our supply of products be disrupted in such states, we may not be able to procure an alternate source of supply of products in time to meet the demands of our customers in such states. Such disruption to supply would materially and adversely affect our business, profitability and reputation in such states and thereby materially and adversely affecting our overall business, profitability and reputation.

We may continue to open more stores in such states while further expanding our presence in other states and regions. Existing and potential competitors of our businesses may increase their focus on these states, which could reduce our market share in such states. For example, our competitors may intensify their efforts in these states to capture a larger market share by launching aggressive promotional campaigns. Any adverse development that affects the performance of our stores located in these states could have a material adverse effect on our business, financial condition and results of operations.

7. ***Any delay, interruption, or reduction in the supply of key raw materials such as leather and wood required to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.***

Our operations are dependent on us having an uninterrupted and sufficient supply of key raw materials such as leather, wood and metal sponge, amongst others. This is affected by factors beyond our control, such as shortages in supply of raw materials, interruptions affecting suppliers, operational and industrial relations, transportation difficulties, accidents and natural disasters affecting suppliers, and introduction of new laws and regulations that may make access to these raw materials more expensive.

The table below provides our cost of materials consumed as a percentage of our total expenses in relevant periods:

Particular	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Cost of Materials Consumed	902.00	46.14%	1,456.10	54.78%	2,042.55	53.86%

A significant part of our raw materials used in the manufacture of our furniture, including leather which is the primary raw material used in our products, which we import from suppliers located in Europe. Any restrictions, either from the GoI or any state or provincial government or governmental authority, or from restrictions imposed by any other applicable authorized bilateral or multilateral organizations, on such imports from jurisdictions in which our principal suppliers are located, may adversely affect our business, results of operations and prospects. While we have not experienced the aforesaid restrictions with respect to import of leather from Europe in the last three Fiscals, other than due to the restrictions on account of COVID-19, we cannot assure that such instance will not arise in the future.

The table below provides our cost of imported materials as a percentage of our total expenses in relevant periods:

Particular	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Cost of Imported Materials	710.40	36.34%	849.50	31.96%	1,109.67	29.26%

Further, we also source a portion of our leather requirements from suppliers and tanneries located in India and any adverse action or order by any relevant state government to ban commercial use of leather will impact our raw material requirements and consequently may have an adverse impact on our business and results of operations.

In addition, we do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from such third-party suppliers on purchase order basis. Pricing is typically negotiated for each purchase order. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs on to our customers, which may impact our results of operations. Any interruption to our access to raw materials necessary for our operations could affect our profitability and ability to price our products and services at a competitive price.

Further, if we cannot fully offset an increase in the prices of our products, we will experience lower margins. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial conditions. While in the past there have been instances of payment delays payable to our suppliers, however, such instances were due to impact of COVID-19 which did not result in any penalty or litigation. We cannot assure you that there will be no defaults or failures to pay our suppliers in the future. If there are any defaults or failures to make any payments due to our suppliers, this could cause our suppliers to terminate their relationship with us, or resort to litigation to recover any amounts due. In such a situation, we cannot assure you that we will be able to obtain alternative suppliers on similar terms or on terms acceptable to us, and our business, financial condition and results of operations may be adversely affected. The financial instability of suppliers, labour problems experienced by suppliers, disruption in the transportation of the raw materials by suppliers, including as a result of labour slowdowns, transport availability and cost, transport security, inflation and other operational factors relating to suppliers are beyond our control. We cannot assure you that we will be able to continue to obtain adequate supplies of raw materials, in a timely manner, in the future.

8. We depend on limited suppliers for the supply of leather, one of our primary raw materials. The loss of one or more such suppliers could adversely affect our business, results of operations, financial condition and cash flows.

We currently rely on limited foreign and domestic suppliers to provide leather, one of our primary raw materials.

The table below provides our cost of leather sourced as a percentage of our total cost of materials consumed in relevant periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)
Cost of leather	366.15	40.59%	516.88	35.50%	659.62	32.29%

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)	Amount (₹ million)	Percentage of Total Cost of Materials Consumed (%)
Sourced from Suppliers						

The table below provides the total quantity of leather imported from our top supplier, top three and top five suppliers:

Category	Fiscal					
	2021		2022		2023	
	Quantity of leather sourced (in square feet)	Percentage of total leather sourced (%)	Quantity of leather sourced (in square feet)	Percentage of total leather sourced (%)	Quantity of leather sourced (in square feet)	Percentage of total leather sourced (%)
Top Supplier	0.83	32.98%	0.89	38.51%	0.81	40.95%
Top Three	2.15	85.71%	1.93	83.71%	1.53	77.65%
Top Five	2.33	93.03%	2.22	95.52%	1.86	94.20%

While we have not experienced any such instances in the past three years, however, the loss of one or more of our significant suppliers or a reduction in the amount of leather we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these suppliers could reduce their ability to meet our requirements and accordingly result in a significant decrease in our revenues. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of leather. If we experience a significant or prolonged shortage of leather from any of our suppliers, and we cannot procure leather from other sources, we will be unable to meet our production schedules which will adversely affect our sales and customer relations. Although we have not encountered any significant disruption to the supply of leather in the past, however, the operating restrictions/ lockdown consequent to outbreak of COVID-19 pandemic temporarily affected our ability to source leather. In the absence of long-term supply contracts, we cannot assure you that a particular supplier will continue to supply leather to us that we currently source from them in the future. Any change in the supplying pattern of leather can adversely affect our business, results of operations, financial condition and cash flows.

9. ***If we are unable to effectively manage or expand our retail network and operations or pursue our growth strategy, our new stores as well as our existing stores may not achieve our expected level of profitability which may adversely affect our business prospects, financial condition and results of operations.***

We market and sell our products through our network of stores. Over the years, we have expanded our network of stores and as of June 30, 2023, we operated 34 COCO stores and 21 FOFO stores in 22 cities across nine States and Union Territories in India.

The table below provides details of our physical presence as of June 30, 2023:

Format	As of March 31,						As of June 30, 2023	
	2021		2022		2023			
	Stores	Cities	Stores	Cities	Stores	Cities	Stores	Cities
Company Owned and Company Operated Stores								
Stanley Level Next	3	1	4	2	5	3	5	3
Stanley Boutique	7	5	7	5	9	5	9	5
Sofas & More by Stanley	8	1	14	2	17	2	17	2
Others(1)	1	1	2	2	3	2	3	2
Total (A)	**19**	**5**	**27**	**5**	**34**	**5**	**34**	**5**
Franchisee Owned Franchisee Operated Stores								
Stanley Level Next	-	-	1	1	1	1	1	1
Stanley Boutique	3	3	3	3	4	3	4	3
Sofas & More by Stanley	3	3	9	9	15	15	16	16
Total (B)	**6**	**5**	**13**	**11**	**20**	**17**	**21**	**18**
Total (A+B)	**25**	**9**	**40**	**15**	**54**	**21**	**55**	**22**

(1) Others includes Design Eight and Stanley Personal stores.

We cannot assure you that current locations of stores operated by us will continue to be attractive or profitable as demographic patterns change, or as leases are renewed/extended on terms less favourable to us. Neighbourhood or economic conditions where our stores are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighbourhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event real estate prices increase or if we are unable to renew lease agreements for our existing stores on terms favourable to us, such store locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such stores. For example, in Fiscal 2021, we had closed one store located in Andheri, Mumbai, Maharashtra as the store was not easily accessible to our customers as well not being profitable for us to operate.

Further, our future revenue growth depends upon the successful operation of our store locations, the efficiency of our supply chain management systems and the successful management of our sales, marketing, and support and service teams in various states across India where our customers are located. The expansion of our business may require that we establish stores and manage businesses in widely disparate states with different statutory, legal and regulatory framework.

In addition, we may be affected by various factors inherent in carrying out business operations in several states in India, such as coordinating and managing operations in several locations, including different political, economic and business conditions and labour laws and associated uncertainties, exposure to different legal standards and enforcement mechanisms and compliance with regulations; and difficulties in staffing and managing operations, including coordinating and interacting with our local representatives and business partners to fully understand the local business and regulatory requirements. Any of these factors, alone or in combination, could materially and adversely affect our business, results of operations and financial condition and prospects.

10. We are reliant on our company owned company operated stores for a majority of our sales. Any disruptions to the operations of these channels or limitations on our ability to expand and grow these channels may adversely affect our sales, cash flow and profitability.

We believe that the growth in our sales, revenue from operations, profitability and brand awareness is a direct result of increase in the number of our retail stores.

The table below sets forth details of the revenue generated from sales for the periods indicated:

Store Category	**Fiscal**					
	2021		**2022**		**2023**	
	Revenue (₹ million)	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**	**Revenue (₹ million)**	**Percentage of Revenue from Operations (%)**
COCO	1,216.44	62.13%	1,759.45	60.21%	2,643.08	63.08%
FOFO	143.86	7.35%	258.88	8.86%	467.04	11.15%
Others[(1)]	597.49	30.52%	903.71	30.93%	1,079.87	25.77%
Total	**1,957.80**	**100.00%**	**2,922.04**	**100.00%**	**4,189.98**	**100.00%**

[(1)] *Other include revenue from operations generated from contract manufacturing, leather automotive interiors, other B2B sales, and trading of raw materials.*

In the future, we will depend upon the addition of new stores and the expansion of our network, to increase our sales volume and profitability. Opening these stores will significantly increase our expenses and we may encounter problems in opening these new stores that would affect our profitability. Our ability to effectively lease real estate to open new retail stores depends on the availability of real estate that meets our criteria for traffic, square footage, co-tenancies, lease economics, demographics, and other factors. In addition, we may not be able to open or profitably operate new stores in existing, adjacent, or new locations due to market saturation and/or other macro conditions. We cannot assure you that we will be able to timely open and operate our new stores or that any such expansion will be profitable.

Further, our sales derived from franchisee stores depend on our ability to retain existing and attract new franchisees on terms acceptable to us. Typically, under our franchisee agreements, the franchisees are responsible for *inter alia,* securing all statutory and regulatory approvals, insurance, achieving the annual sales targets as mentioned in the relevant agreement and for establishing and maintaining, at their own expense, a bookkeeping, accounting and record keeping system. For further information on our franchisee arrangements, see "*Our Business — Business Operations – Retail Operations - Franchisee Owned and Franchisee Operated Stores - Brief summary of our typical franchisee agreement*" on page 195.

Further, under our franchisee agreements, the franchisee is granted exclusively for a particular state or a territory. Franchisees are typically required to open a specified number of stores in a time frame, and failure to do so results in forfeiture of the fees which are typically paid by such franchisees at the time of signing the agreement. While we have not experienced, any instances of any of our franchisees terminating their relationship in the last three years or penalties being paid by them by failing to open specified number of stores in a time frame, we cannot assure you that such instances will not happen in the future, or that our franchisees will not enter into agreements with our competitors to retail their products, including in breach of any non-compete or non-solicitation obligations on them. We may not be able to renew the arrangements with these franchisees upon expiry on terms that are commercially acceptable to us, or at all. We cannot assure you that such third parties shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or quality standards. We may have to invoke indemnities or initiate litigation in respect of any breach by our franchisees, and such litigation could divert the attention of our management from our operations, and be decided against us, which may adversely affect our business, financial condition and results of operations, though there is no such litigation at present. Further, if we fail to maintain our relationships with our existing franchisees or are unable to attract new franchisees, or if we elect to terminate the relationships with one or more of our franchisees as a result of their breach of our agreements, our ability to effectively sell our products in a given region could be negatively impacted, adversely affecting our results of operations and brand image in that particular region. In addition, while our franchisee agreements do include a non-compete clause for any new business that may be competition with that of us, however, some of the franchisee partners also operate existing furniture stores which may compete with our business and in the event such franchisee partners does not provide sufficient attention towards growing our business, our results of operations may be severally impacted. Our inability to find suitable replacements may adversely affect our business, results of operations and prospects.

11. We rely on our partners who are minority shareholders in certain of our Subsidiaries.

As of June 30, 2023, all of our COCO stores are operated by our Subsidiaries. Certain minority stake in one of our Subsidiaries, namely, ASPL is held by third parties ("**Partners**"). We generally rely on such Partners to identify locations where we do not have much presence or brand recognition and tap their network to access potential high net worth individuals, who are our main target segment. We cannot assure you that such Partners will continue to be associated with the relevant Subsidiary or maintain their shareholding or contribute towards operational expenses required to manage our stores. While we have in the past acquired minority stake of our partners in our subsidiary Sana Lifestyles, however, we cannot assure you that we will continue to do so for ASPL.

If we fail to maintain our relationships with our Partners, our ability to effectively sell our products in a given region could be negatively impacted, adversely affecting our results of operations and brand image in that particular region. Further, in the event of any dispute between our Company and the relevant Partner could impact the operation of our stores or result in potential store closures which in turn could have an adverse impact on our financial condition and results of operations.

12. Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, cash flows and results of operations.

We operate two manufacturing facilities located at Electronic City, Bengaluru, Karnataka and Bommasandra Jigani Link Road, Bengaluru Karnataka, respectively. In particular, we are dependent on our manufacturing facility located at Electronic City, Bengaluru, Karnataka since it is dedicated to producing our bespoke products.

Our business is dependent on our ability to efficiently manage our manufacturing facilities and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such fiscal period. In addition, we depend on third parties for equipment and services required for our machinery in our manufacturing facilities for continuing operations. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our manufacturing facilities and require us to incur additional expenditure to attempt to mitigate such disruption. Further, since we provide customized product offerings to our customers, any disruption of our manufacturing operations will also have a material impact on our retail operations.

If any other industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents may result in a loss of property and/ or disruption in our manufacturing operations entirely, levy of fines, penalties or compensation and/or adverse action against our employees, officers or management, which may have a material adverse effect on our business operations and financial performance. Further, any significant malfunction or breakdown of our equipment or machinery, may involve significant repair and maintenance costs and cause delays in our operations. While there have been no such instances of breakdown or equipment failure or non-availability of adequate labour or disagreements with our workforce or lock-outs in the last three Fiscals, we cannot assure you that such instances my not happen in future. In addition, we may be subject to manufacturing disruptions in case of any contravention by us of applicable regulatory approvals until such regulatory issues are resolved.

13. We are dependent on third-party transportation providers for the supply of raw materials.

Our success depends on the uninterrupted supply and transportation of the various raw materials, especially wood and leather, required in the manufacture of our products and supply of our products to our customers, or intermediate delivery points, that are subject to various uncertainties and risks. We transport our raw materials and our finished products outbound by road. We rely on our suppliers, to deliver our raw materials while we use our own fleet of leased vehicles to deliver our finished products ordered from our COCO stores to our customers. For our FOFO Stores, last mile delivery is borne by the relevant franchisee partner.

Transportation strikes may have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operation negatively. We have in the past faced situations where goods were damaged during transit from Italy to India for which we claimed insurance. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations and profitability, or passing these charges on to our customers, which could adversely affect demand for our products and our business.

14. The premises of all of our COCO stores are leased. If we fail to renew these leases on competitive terms or if we are unable to manage our lease rental costs, our results of operations would be materially and adversely affected.

As all of our COCO stores are on leased premises, we are exposed to the market conditions of the retail rental market. Most of our lease agreements for our stores contain an early termination clause that permits us to terminate the lease agreement early for the reasons specified therein. While we have renewal options for all of our leases for our stores, we typically need to renegotiate the terms of renewal with the lessor, who may insist on a significant modification to the terms and conditions of the lease agreement. If a lease agreement is renewed at a rate substantially higher than the existing rate, or if any existing favorable terms granted by the lessor are not extended, we must determine whether it is desirable to renew on such modified terms. While there have been no such instances in the past, if we are unable to renew leases for our stores on acceptable terms or at all, we will have to close or relocate the relevant stores, which would eliminate the sales that those stores would have contributed to our revenues during the period of closure and could subject us to renovation and other costs and risks. This is applicable even when some of our lease agreements do not have an option for renewal and new agreements have to be entered into. We are subject to a lock-in provision some of our leases which may restrict our ability to terminate such leases, including in the event the location of the leased premises is no longer profitable.

Further, certain of our lease agreements include provisions specifying fixed increases in rental payments over the respective terms of the lease agreements. While these provisions have been negotiated and are specified in the lease agreement, they will increase our costs of operation and therefore may materially and adversely affect our results of operation if we are not able to pass on the increased costs to our customers.

As part of our store onboarding process, we may enter into letters of intent and submit deposits to the relevant owners of the properties where a new store will be located. The letters of intent are typically followed by a definitive lease agreement in the form of a lease deed or leave and license agreement being entered into between parties. In the event definitive agreements are not entered into within a specified time period, the letters of intent may lapse unless extended. We may be delayed or be unable to enter a definitive lease agreement with respect to a specific site for various reasons, some of which are beyond our control. Further, in the event such letters of intent lapse or are terminated, we may have to identify alternate store locations for which we expend significant time and resources.

In addition, any regulatory non-compliance by the lessor or us or adverse development relating to the lessors' title or ownership rights to such properties, may entail significant disruptions to our operations, especially if we are forced to vacate the leased space following such developments. For example, one of our COCO store located at Marathahalli, Bengaluru, Karnataka has been closed since February 2023 due to default on the part of the landlord to repay its lender as a result of which the financial institution has seized the property, which has resulted us to experience loss of sales as well as incurring expenses such as employee cost. As on the date of this Draft Red Herring Prospectus, the store is not operational.

If our sales do not increase in line with our rent and costs, including setup and interior design costs, our profitability, business, results of operations, financial condition and cash flows could be adversely affected.

15. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank financial institution, or any other independent agency, and we have not entered into definitive agreements in relation to the objects of our Offer, which may affect our business and results of operations. Further, the schedule of the implementation of the Objects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns.

We intend to use the Net Proceeds of the Fresh Issue portion of this Offer towards (i) expenditure for opening new stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley"* through certain Subsidiaries, (ii) expenditure for opening anchor stores through certain Subsidiaries; (iii) expenditure for renovation of existing stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" through certain Subsidiaries,

(iv) funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and SOSL (our Material Subsidiary), and (v) general corporate purposes, as described in "*Objects of the Offer*" on page 87 of this Draft Red Herring Prospectus. The objects of the Offer have not been appraised by any agency. Whilst a monitoring agency will be appointed, for monitoring utilization of the Net Proceeds, the proposed utilization of Net Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Further, in relation to the capital expenditure requirements of our Company, SOSL (our Material Subsidiary) for purchase of new machinery and equipment that are being funded from the Net Proceeds, orders are yet to be placed. For details, see "*Objects of the Offer*" on page 87. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

Further, certain information contained in this Draft Red Herring Prospectus, such as our funding requirements and our intended use of the proceeds of the Offer, in addition to not being appraised by any bank, financial institution or agency are based on management estimates and internal management information systems and our business plan. We may also have to revise our funding estimates, future projects and the estimated commencement and completion dates of our future plans depending on future contingencies and events, including, among others: changes in laws and regulations; competition; receipt of statutory and regulatory approvals and permits; the ability of third parties to complete their services on schedule and on budget; delays, cost overruns or modifications to our future projects; commencement of new projects and new initiatives; and changes in our business plans due to prevailing economic conditions. Accordingly, the schedule of the implementation of the projects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

16. Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale.

We propose to utilize the Net Proceeds towards (i) expenditure for opening new stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" through certain Subsidiaries, (ii) expenditure for opening anchor stores through certain Subsidiaries; (iii) expenditure for renovation of existing stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" through certain Subsidiaries, (iv) funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and SOSL (our Material Subsidiary), and (v) general corporate purposes. For details, see "*Objects of the Offer*" on page 87. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Offer. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds or in the terms of any contract as disclosed in this Draft Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business and results of operations.

In addition to the Fresh Issue from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholders. Our Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer Expenses) and our Company will not receive any part of such proceeds. For further details, see "*Objects of the Offer*" on page 87.

17. There have been certain instances of non-compliances, including with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.

There have been certain instances of lapses such as delays, non-filing, and factual errors in our corporate records, in relation to certain corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition, and reputation. For instance, we have made an application for adjudication, due to non-filing of e-form MGT-14 within the stipulated time period for a special resolution passed on April 1, 2018, for SOSL availing a loan from our Company, with the relevant Registrar of Companies. For further information, see "*Outstanding Litigation and Material Developments*" on page 349. Additionally, our Company had filed three adjudication applications, each dated August 11, 2023, with the RoC for contravention under Sections 454 and 460 of the Companies Act, 2013 for omission in filing of Forms MGT-14 within the stipulated time period, for board resolutions dated (a) May 20, 2019, for the purposes of availing a credit facility for online payments up to ₹ 0.5 million; (b) September 27, 2021, for the purposes of availing an auto loan of ₹ 7.5 million; and (c) December 16, 2019, for the purposes of reduction in the remuneration of two directors of our Company, Sunil Suresh and Shubha Sunil. There have been instances of delays in relation to convening of the annual general meeting of our Company and certain of our Subsidiaries (namely, SRL, SOSL, and SSPL) beyond the prescribed time, in respect of the financial year ended March 31, 2021. Our Company and the aforementioned subsidiaries had filed petitions for compounding of the offence under Section 441, read with Sections 96, of the Companies Act, 2013 before the relevant regional director and paid the respective compounding fees and filed the relevant forms with the concerned registrar towards closure of the regulatory proceedings.

18. There are outstanding legal proceedings involving us, our Subsidiaries, our Directors and our Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are outstanding legal proceedings involving us, our Subsidiaries, our Directors and our Promoters. These proceedings are pending at different levels of adjudication before courts, tribunals and statutory, regulatory and other judicial authorities. We cannot assure you that the currently outstanding legal proceedings will be decided favorably or that no further liability will arise from these claims in the future. The amounts involved in these proceedings have been summarized to the extent ascertainable and quantifiable.

A summary of outstanding legal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters as on the date of this Draft Red Herring Prospectus is provided below.

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	Nil	Nil	Nil	Nil	Nil	Not Applicable
Against our Company	Nil	8	6	Nil	1	65.98
Directors#						
By the Directors	Nil	Nil	Nil	Nil	Nil	Not Applicable
Against the Directors	Nil	Nil	Nil	Nil	Nil	32.20
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Not Applicable
Against the Promoters	Nil	Nil	Nil	Nil	Nil	31.86
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Not Applicable
Against the Subsidiaries	Nil	6	5	Nil	Nil	10.08

#Includes Promoters.

** To the extent quantifiable.*

None of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

Further, as a consumer facing business, we also receive customer complaints on various platforms. For instance, complaints from consumers regarding the quality of leather being used for certain products. While these are not currently outstanding litigation, we cannot assure you that they will not be in the future. Further, we also cannot assure you that any of these on-going matters will be settled in favour of our Company, Promoters, Directors or Subsidiaries, respectively, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, Promoter, Subsidiaries and Directors in the future. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation and divert the time and attention of our management. For further information, see "*Outstanding Litigation and Material Developments*" on page 349.

19. Non-compliance with existing or changes to environmental, health and safety, labour laws and other applicable regulations by us may adversely affect our business, financial condition, results of operations and cash flows.

Our operations, such as manufacturing activities, are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. For further information, please see "*Key Regulations and Policies in India*" on page 200. We may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We may become involved or liable in litigation or other proceedings, incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

We have incurred and expect to continue incurring costs for compliance with all applicable environmental, health and safety, and labour laws and regulations. We cannot assure you that we will be able to comply with all applicable environmental, health, safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of our production and operations. We may, in future, be held liable for any regulatory lapses and non-compliances and incur increased costs or be subject to penalties, which are not covered by the insurance we currently carry. Any of the above may adversely affect our business, financial condition, results of operations and cash flows.

In addition, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. For further information, please see " - *Any lack of requisite approvals, licenses or permits applicable to our business operation may have an adverse impact on our business, financial condition and results of operations*" on page 29.

20. A portion of our revenue from operations is generated from certain of our corporate customers. In the event such corporate customers do not continue to outsource manufacturing or avail our services, our sales, cash flows and profitability may be adversely affected.

We undertake contract manufacturing for repetitive production for various multi-national home furnishing players. Further, we are engaged by a large automobile company to craft leather automotive interiors.

The table below provides the details of our revenue from operations from contract manufacturing and automotive interiors in the relevant period:

Category	Fiscal					
	2021		2022		2023	
	Revenue from Operations	Percentage from Revenue of Operations	Revenue from Operations	Percentage from Revenue of Operations	Revenue from Operations	Percentage from Revenue of Operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Contract Manufacturing	207.07	10.58%	403.59	13.81%	465.17	11.10%
Leather Automotive Interiors	294.71	15.05%	479.71	16.42%	503.65	12.02%
Total	**501.78**	**25.63%**	**883.30**	**30.23%**	**968.83**	**23.12%**

A customer's decision to outsource is affected by its ability and the competitive advantages of outsourcing. Further, our sales to our corporate customers is also dependent on their business position and financial health. However, we cannot assure you that our corporate customers will continue to use our contract manufacturing facilities or our leather automotive interiors services which could impact our future growth and our sales and operating results may suffer.

21. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. Further, our Statutory Auditors have highlighted potential risk of management override of control and revenue recorded in incorrect period due to multiple sales terms with the customers in their presentation to the audit committee for Fiscal 2023 in their usual course of audit which we should monitor.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. Additionally, we have an external party to conduct periodic internal audits and provide its report to our Board. We may also be subjected to periodical audit and inspections by external regulatory and other agencies in the course of application of grants, and the renewal of licences, permits, and accreditations. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

As we continue to grow, there can be no assurance that there will be no instances of non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

22. Any failure in our quality control processes, as well as product liability and warranty claims and legal proceedings, if the quality of our products does not meet our customers' expectations may have an adverse effect on our business, results of operations and financial condition.

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects. We set internal quality standards and our dedicated quality control teams perform quality control processes for raw materials such as timber and leathers, and the final products before they leave our manufacturing facilities including regular inspections. For further information, see "*Our Business - Business Operations - Quality Control*" on page 192.

However, given the high volume of raw materials and scale of production, we are not able to inspect every single item, and may rely instead on selective methods such as sampling. We cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. Our standard warranty on our products is between one to 10 years on various components. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers in accordance with our exchange and returns policy. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted.

We cannot assure you that we will not experience any material product liability claims in the future or that we will not incur significant costs to defend any such claims. Product liability claims, successful or otherwise, may adversely affect our reputation, brand image and sales. Our inability to avoid or defend product liability claims may adversely affect our business, results of operations and financial condition. While there have been no such major instances of product liability claims in the past, we cannot assure you that going forward we will not experience any major product warranty claims.

In addition, material quality issues can expose us to product liability or recall claims in the event that our products fail to meet the required quality standards, or are alleged to cause harm to customers. We face the risk of legal proceedings and product liability claims being brought against us by various entities including consumers, and government agencies for various reasons including for defective products sold. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts, tribunals or other quasi-judicial authorities, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. We cannot assure you that we will not experience any material product liability losses or product recalls in the future or that we will not incur significant costs to defend any such claims, which could have an adverse effect on our business, financial condition or results of operations. A product recall or a product liability claim may also adversely affect our reputation and brand image, as well as entail significant costs in excess of our available insurance coverage, which may adversely affect our reputation, business and results of operations.

23. We provide product warranties and, if our product warranty obligations are significantly in excess of our reserves, our business, financial condition and results of operations could be materially and adversely affected.

We provide warranties on various components of our products, ranging from one year to 10 years, depending on the product and subject to various limitations. In Fiscal 2021, 2022 and 2023, the provision for warranties stood at ₹ 7.58 million, ₹ 9.80 million and ₹ 12.38 million, respectively towards product warranties given. We estimate warranty reserves, based in part upon historical warranty costs, as a proportion of sales by product line. We also consider various other relevant factors, including our stated product warranty and procedures, as part of the evaluation of our warranty liability. As the warranty issues may arise later in the life cycle of a product, we continue to review these estimates on a regular basis and consider adjustments to these estimates based on actual experience compared to historical estimates. Estimating the required warranty reserves involves a high level of judgment, especially as many of our products are at a relatively early stage in their product life cycles. We cannot assure you that our warranty reserves will be adequate for all warranty claims that arise. Although we have experience regarding warranty claims on our products, warranty obligations in excess of our reserves could have a material adverse effect on our business, financial condition and results of operations.

24. We have not incurred certain required portions of our profits towards corporate social responsibility ("CSR") requirements under the Companies Act 2013.

The Companies Act 2013 stipulates the requirement of formulation of a corporate social responsibility policy and mandates our Board of Directors to ensure that our Company spends, in each Fiscal, at least two percent of the average net profits of our Company during the three immediately preceding Fiscals, in accordance with its CSR policy. In Fiscal 2021, 2022 and 2023, while our Company has made profits and accordingly allocated certain portion of such profits towards CSR activities formulated under our CSR policy, our Company has not incurred the requisite portion of the expenditure towards such activities in Fiscal 2021, 2022 and 2023. The following table sets forth the details with respect to the gross amount required to be spent, amount approved by the Board and total amount spent towards the CSR activities in the years indicated:

Particulars	March 31, 2021	March 31, 2022	March 31, 2023
Gross amount required to be spent by during the year (₹ million)	6.10	3.55	3.30
Amount spent during the year:			
(1) Construction / Acquisition of any asset (Promotion of education and prevention of child labor)(₹ million)	-	-	-
(2) On purposes other than (1) above (National Employment Enhancement Mission and free food to migrant workers, PM Care fund)(₹ million)	1.78	0.71	0.55
Details related to spent / unspent obligation			
(1) Construction / Acquisition of any asset(₹ million)	-	-	-
(2) Unspent			
- Ongoing (₹ million)	-	-	2.75
- Other than (₹ million)	4.32	2.84	-

Our Company has transferred ₹ 4.32 million, ₹ 2.84 million and ₹ 2.75 million in Fiscal 2021, 2022 and 2023 to "Unspent CSR Account" with a bank.

We may be subject to imposition of notices or penalties under the Companies Act, 2013 from the Ministry of Corporates Affairs, Government of India for non-compliance in relation to our CSR expenditure, which could adversely affect our reputation and business.

25. If we are unable to anticipate and respond to changes in market demands, fashion trends and customer preferences in a timely and effective manner and maintain an optimal level of inventory and cash, our business, results of operations, cash flows and financial condition may be adversely affected.

Our results of operations are dependent on our ability to anticipate, gauge and respond to changes in the market demand and customer preference for luxury furniture, develop new products, or modify our existing offerings in line with these changes. The demand for luxury furniture fluctuates according to changes in customer preference dictated, in part, by fashion. To the extent, we misjudge the market for our products or are unable to offer new products or modify our existing products in line with changes in fashion trends, our sales may get adversely affected. We may not successfully anticipate and respond to changes or recoup the costs of responding to these changes. If we are unable to do so, demand for our products may decline, we may lose, or fail to attract customers, we may be unable to maintain an optimal level of inventory, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory and provide our services at a discount which could have an adverse effect on our business, results of operations and prospects. Further, we have recently launched a new format store "*Stanley Personal*" to expand and diversify our product portfolio to include hand-crafted shoes, bags and other lifestyle products. We cannot assure you that we will be successful in replicating the success that we achieve in other format stores in these new format stores and any other format stores that we may launch in future.

An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products required to sell and service customers. The table below sets forth details of certain parameters as of the dates indicated:

Particulars	As of March 31,		
	2021	2022	2023
Inventory (₹ million)	952.91	1,181.70	1,213.87
Total Current Assets (₹ million)	2,095.44	2,298.26	2,269.61
Inventory as a percentage of Total Current Assets (%)	45.48%	51.42%	53.48%
Inventory Turnover Ratio(1)	1.07	1.35	1.71
Inventory Days(2)	-*	270	214
Trade Payable Days(3)	-*	99	81
Trade Receivable Days(4)	-*	21	15
Cash Conversion Cycle(5)	-*	192	148

* *Not included as the comparative period figure under Ind-AS for Fiscal 2020 / as on March 31, 2020 are not available.*

Notes:

1. *Inventory Turnover Ratio is calculated as cost of goods sold / average inventory.*
2. *Inventory Days is calculated as 365 divided by (cost of goods sold / average inventory). Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and Change in inventories*
3. *Trade Payable Days is calculated as 365 divided by (total purchase of raw material and stock in trade / average trade payables).*
4. *Trade Receivables Days is calculated as 365 divided by (Revenue from operations / average trade receivables).*
5. *Cash Conversion Cycle is sum of Trade Receivable Days and Inventory Days as reduced by Trade Payable Days.*

While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we under-stock inventory, our ability to meet customer demand may be impaired. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold or under-utilized inventory may have to be sold at a discount or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

26. We engage in foreign currency transactions, which expose us to adverse fluctuations in foreign exchange rates. Fluctuations in the exchange rate between the Rupee and other currencies may adversely affect our operating results.

We import certain of our raw materials, including leather and various machineries involved in our operations. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly or in the absence of hedging limits. We had a foreign currency exposure of ₹ 40.54 million, ₹ 42.43 million and ₹ 22.88 million, respectively in Fiscal 2021, 2022 and 2023, respectively and our foreign currency exposure in Fiscal 2023 was unhedged. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any amounts spent to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. There is no assurance that we will be able to reduce our foreign currency risk exposure, through the hedging transactions we have already entered into or will enter into, in an effective manner, at reasonable costs, or at all.

27. Our past performance may not be indicative of our future growth. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.

We have experienced stable growth over the past three Fiscals. Our revenue from operations has increased at a CAGR* of 46.29% from ₹ 1,957.80 million in Fiscal 2021 to ₹ 4,189.98 million in Fiscal 2023. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities and demands in the industry, introduce new products, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel to upsell or cross sell our products. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. We may face increased risks when we enter new product markets in India, and may find it more difficult to hire, train and retain qualified employees in new regions. Accordingly, our results of operations for subsequent periods may not be comparable to our performance prior to the discontinuation of sales done through our website.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

CAGR is calculated as (Ending Value / Beginning Value) ^ (1 / Number of Years) – 1.

28. ***Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.***

Our insurance covers, amongst others, marine cargo turnover policy, commercial general liability insurance, asset insurance policy, directors' and officers' insurance policy, portable electronic equipment insurance policy, commercial package insurance policy, business package insurance policy, contractors all risk policy, group personal accident policy and burglary insurance policy. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance cover on the total assets (excluding intangible assets, goodwill, right of use assets and deferred tax assets) as of March 31, 2023 was ₹ 3,153.04 million and 181.40% of the total assets (excluding intangible assets, goodwill, right of use assets and deferred tax assets) as of March 31, 2023. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

29. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into certain transactions with related parties in the past, including with our Promoters and from time to time, we may enter into related party transactions in the future. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act, 2013 and other applicable regulations pertaining to the evaluation and approval of such transactions and have not been prejudicial to the interests of our Company. While we believe that all of our related-party transactions have been conducted on an arms' length basis and are also approved by the Audit Committee of our Board (including whether such transactions are on an arms' length basis), we cannot assure you that in all such transactions, we could not have achieved more favorable terms than the existing ones.

All related party transactions that we may enter into post-listing will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act, 2013 and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

For further information, see "*Summary of the Offer Document - Summary of Related Party Transactions*" and "*Restated Consolidated Financial Information – Details of Related Parties– Note 38*" on pages 21 and 294, respectively.

30. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of March 31, 2023, our contingent liabilities that have not been accounted for in the Restated Consolidated Financial Information, as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	**As of March 31, 2023**
	(₹ million)
(i) Atria mall case[(1)]	26.34

Particulars	As of March 31, 2023
	(₹ million)
(ii) Income tax (relating to disallowance of expenses / deduction, expense claimed and adjustments)(2)	1.12
(iii) Others (relating to consumer complaints and other matters)	1.80
(iv) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	7.88
(v) Capital Account contract with Interiocraft Private Limited(3)	2.68
Total	**39.82**

Notes:

(1) M/S Alif Enterprises and others have filed a suit against us for non-payment of rent, hoarding and other maintenance charges for the space allocated in "Atria Mall" which amounts to ₹ 26.34 million. We have filed a counter claim against M/S. Alif Enterprises and others for loss suffered due to poor maintenance in "Atria Mall".

(2) An order under section 201(1) and 201A of the Income Tax Act, 1961 has been received invoking provision under section 2(22)(e) of Income Tax Act, 1961 treating intercompany transactions as a deemed dividend. The demand is ₹ 1.40 million and we have appealed against the same by remitting 20%, i.e., ₹ 0.28 million under dispute. In Fiscal 2022, the appeal has been allowed in our favour and subsequent to the year end, we have applied for a refund of ₹ 0.28 million.

(3) A sum of ₹ 2.68 million under litigation presently before "West District Legal Service Authority" pertaining to capital account contract with Interiocraft Private Limited". The management of our Company is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. In the event that any of these contingent liabilities materialize, our results of operations, cash flows and financial condition may be adversely affected. The contingent liability amounts disclosed in the Restated Consolidated Financial Information represent estimates and assumptions of our management based on advice received. The contingent liabilities have arisen in the normal course of our business. If, for any reason, these contingent liabilities materialize, it may adversely affect our cash flows and financial condition. For further information on our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, see "*Restated Consolidated Financial Information – Note 39*" on page 306.

31. We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain Non-GAAP Measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of companies engaged in the furniture industry, many of which provide such Non-GAAP Measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These Non-GAAP Measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable to the industry and are not measures of operating performance or liquidity defined by generally accepted accounting principles, and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other competitors in India. For further information, see "*Other Financial Information – Non-GAAP Financial Measures*" on page 313.

32. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

The declaration and payment of dividends, if any is recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. While we have declared dividends in the past, there can be no assurance that we shall pay any dividend in the future or dividend payout. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. In terms of our dividend policy, the dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include, (i) profits earned during the year; (ii) capital expenditure requirements; (iii) financial requirements for business expansion, diversification, acquisitions of new businesses; (iv) liquidity position; (v) cost of borrowings and outstanding borrowings; (vi) state of the economy and capital markets; and (vii) statutory restrictions. There can be no assurance that we will be able to pay dividends in the future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares.

33. The audit report by our statutory auditors on Special Purpose Consolidated Ind AS Financial Statements as at and for the Financial Year 2021 has provided a matter of emphasis paragraphs.

Our Statutory Auditors have included the following Emphasis of Matters:

As at and for the year ended March 31, 2021

"*We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.*

Our opinion is not modified in respect of this matter."

There can be no assurance that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which could affect our results of operations.

34. Some of our lease/ license agreements have not been registered as required under the Registration Act, 1908. Consequently, we may experience business disruption, which could adversely affect our business, financial condition and result of operations.

Some of our lease/ license agreements have not been registered in terms of the Registration Act, 1908. Unregistered documents that are required to be registered under the Registration Act, 1908 may not be produced for enforcement before a court of law until the registration charges and any penalties as per the applicable state registration laws and applicable stamp duty are paid on such documents. Further, this may affect our ability to renew such agreements or result in us being required to enter into new agreements for those properties and, consequently, we may experience business disruption, which could adversely affect our business, financial condition and result of operations. Further, some of the lease agreements or deeds have expired in the ordinary course of business and we are currently involved in negotiation for the renewal of these arrangements. If alternative premises are not available at the same or similar costs, sizes or locations in a timely manner, our business, financial condition, cash flows and results of operations may be adversely affected.

35. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows.

Our financing agreements generally include various conditions and covenants that require us to obtain lender consents and/ or intimate the respective lender prior to carrying out certain activities and entering into certain transactions such as (a) effecting any change in Company's capital structure; (b) formulation of any scheme of amalgamation or reconstruction; (c) appointment of various intermediaries (including investment banks, escrow collection banks, public issue account banks and refund banks) and advisors; or (d) availing any credit facility or accommodation from any bank or financial institution.

Our financing arrangements are secured by way of (i) first pari passu charge by way of hypothecation on present and future goods, book debts and all other moveable assets; (ii) second pari passu charge by way of mortgage on immovable properties and all other movable assets In case of auto loans, security is created by way of hypothecation of the underlying vehicle. While there have been no past instances of breach of financial and other covenants under our debt financing arrangements, any such breach or failure in the future to comply with covenants and obligations under our financing arrangements could result in our lenders taking actions against us.

Breaches of our financing arrangements, including the aforementioned terms and conditions, in the future may result in the termination of the relevant credit facilities, levy of penal interest, having to immediately repay our borrowings, and enforcement of security. We may be restricted from obtaining alternative financing by the terms of our existing or future debt instruments. Any acceleration of amounts due under our facilities may also trigger cross default provisions under our other financing agreements. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

36. ***We may require financing to support our further developments or adapt to changes in business conditions, but we may not be able to obtain additional financing on favorable terms or at all.***

We will continue to incur significant expenditure in maintaining and growing our existing operations. We cannot assure you that we will have sufficient capital for our current operations, any future expansion plans that we may have and our ability to complete such expansion plans. We may need to raise additional capital in the future, depending on business conditions, and our growth strategy. The factors that would require us to raise additional capital could include future acquisitions; business growth beyond what our current balance sheet can sustain; additional capital requirements imposed due to changes in the regulatory regime or new guidelines; significant depletion in our existing capital base due to unusual operating losses; unforeseen events beyond our control, including an outbreak of infectious diseases such as the COVID-19 pandemic. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. As of March 31, 2021, March 31, 2022 and March 31, 2023, our capital employed (calculated as the sum of total equity, current borrowings, non-current borrowings, current lease liabilities, non-current lease liabilities and as reduced by goodwill on consolidation, intangible assets and intangible assets under development) was ₹ 2,716.87 million, ₹ 3,318.03 million and ₹ 3,673.61 million, respectively. Further, as on July 31, 2023, the total outstanding unsecured loan (including interest accrued till such date) that was availed by one of our Subsidiary, Shrasta Decor Private Limited, from its related parties was ₹ 48.14 million, which have been subsequently been converted into equity shares on August 18, 2023.

Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. In particular, the cost and availability of capital, among other factors, depend on our credit rating. Details of our credit ratings are set forth below:

Rating Agency	Instrument	Previous Credit Rating	Current Credit Rating
ICRA Limited	Long term: Fund-based Facilities	[ICRA]A-(Stable)	Upgraded to [ICRA]A(Stable)
	Short term: Non-fund based	[ICRA]A2+	Upgraded to [ICRA]A1
	Long term / Short term: Unallocated	[ICRA]A-(Stable) / [ICRA]A2+	Upgraded to [ICRA]A(Stable) / [ICRA]A1

Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements. If we decide to meet our capital requirements through debt financing, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Further, we may be subject to certain restrictive covenants. Further, our Promoters may be required to extend personal guarantees for raising such debt. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

We cannot assure you that we will be able to raise adequate additional capital in the future on terms favorable to us or at all. If adequate capital is not available to us as required for our business and growth, our ability to fund our operations, take advantage of opportunities, implement any expansion or acquisition plans, or respond to competitive pressures could be significantly limited. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

37. ***Failure to successfully implement our business strategy, effectively respond to changes in market dynamics and satisfactorily meet customer demand will cause our future financial results to suffer.***

We are making significant investments and other decisions in connection with our long-term business strategy including our ability to expand our product portfolio as well as enter into new segments. We also aim to expand our geographical presence by establishing stores in new geographies domestically as well in international markets to reach a wider network of customers and locations, which would allow us to tap into emerging markets with a demand for our products.

Such initiatives and enhancements may require us to make significant capital expenditures. Additionally, in developing our business strategy, we make certain assumptions including, but not limited to, those related to customer demand and preferences, competition landscape and the economy in India and globally; and actual market, economic and other conditions may be different from our assumptions. As technology, customer behavior and market conditions continue to evolve, it is important that we maintain the relevance of the "Stanley" brand and service offerings to our customers. If we are not able to successfully implement our business strategy and effectively respond to changes in market dynamics, our future financial results will suffer. We have also incurred, and may continue to incur, increased operating expenses in connection with certain changes to our business strategy.

In addition, we make planning and spending decisions, including procurement commitments, personnel needs and other resource requirements based on our estimate of customer demand. In particular, we may potentially experience capacity and resource shortages in fulfilling customer orders during peak seasons of consumption. Failure to meet customer demand in a timely fashion or at all will adversely affect our competitive position, financial condition and results of operations.

38. We are subject to risks associated with expansion into new geographic regions.

Expansion into new geographic regions subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we intend to expand our retail operations in the Middle East and the South East Asia to address luxury furniture requirements of high-net worth individuals. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- lack of resources or requisite skill sets to comply with internal controls or manage an increased compliance burden or potential liability associated with operating in multiple countries;
- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- local preferences and service requirements; fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions;
- changes in geopolitical conditions and diplomatic relations;
- other political, economic and social instability; and
- foreign exchange control regulations, including restriction on remittance of funds or repatriation of profits from one country to other, levying of withholding taxes on remittance/ repatriation.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

39. Competition in the luxury furniture market, in particular, sofas may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows, and financial condition.

The luxury and super-premium furniture market in India is highly competitive and segmented, with both unbranded and branded players competing for market share. Other than local players like us, there are many European brands present in in the luxury and super-premium furniture industry who design and manufacture and then import their products into India (*Source: RedSeer Report*). In order to compete effectively, we must maintain the “Stanley” brand and our reputation for high quality luxury and premium products; respond to rapidly changing market demands on the basis of brand image, style, performance and quality; and offer our customers a wide variety of high quality luxury and premium products at competitive prices.

We believe that the purchasing decisions of consumers are highly subjective and can be influenced by many factors, such as pricing, brand image, customer service, retail experiences, social media presence, marketing programs and product offerings and features. Some of our competitors enjoy competitive advantages, including greater brand recognition and greater financial resources for competitive activities, such as sales, marketing and strategic acquisitions. Our competitors may enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage of such combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, standards or consumer preferences.

We cannot assure you that we will be able to successfully compete within our industry in the event there is a reduction in import duty which may encourage more foreign players to enter into India and hence, our products may not be attractive to our target customers.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

40. ***Our manufacturing facilities are dependent on adequate and uninterrupted supply of power and fuel. Any shortage or disruption in electricity or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our production operations require adequate supply of power and fuel, the shortage or non-availability of which may adversely affect our operations. The table below sets forth details relating to our expenses on power and fuel as a percentage of our total expenses in relevant periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Power and Fuel	26.62	1.36%	36.15	1.36%	52.02	1.37%

We source most of our electricity requirements from the local body and our own diesel generator sets. Inadequate electricity, diesel for our generators could result in interruption or suspension of our production operations. In particular, any significant increase in cost of diesel/fuel could result in unanticipated increase in production cost. Any failure on our part to obtain alternate sources of electricity or fuel, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may have increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

41. ***Our operations are reliant on our technology infrastructure and platform, and any failure to continue to improve and effectively utilize our technology infrastructure and platform or fully monetize and realize the benefits from new technologies could harm our business operations, reputation, financial condition and prospects.***

Technology is an integral part of our business operations. While we have been continuously enhancing our technology infrastructure, we may not be able to continue to improve our technology capabilities and develop new technologies to meet the future needs of our business.

If we are unable to maintain, improve and effectively utilize our technologies or to realize the expected results from our capital investments, our business, financial condition, results of operations and prospects, as well as our reputation, could be adversely affected. Any problem with the functionality and effectiveness of our software or platforms could also result in unanticipated system disruptions, slower response times, impaired user experiences, delays in reporting accurate operating and financial information among other things. In addition, enhancing our technology infrastructure requires significant investment of time and financial and managerial resources, including recruiting and training new technology personnel, adding new hardware and updating software and strengthening research and development. If our technology investments are unsuccessful, our business could suffer and we may be unable to recoup the resources we commit to such initiatives. We may be unable to detect defects in existing or new versions of our proprietary technologies, or errors may arise in our technologies. Any failure to identify and address such defects or errors could result in loss of revenue or market share, liability to customers or others, diversion of resources, damage to our reputation, and increased service and maintenance costs. Correction of such errors could prove to be very costly, and responding to resulting claims or liability could similarly involve substantial cost.

Further, to keep pace with changing technologies and customer demands, we must correctly interpret and address market trends and enhance the features and functionality of our technology infrastructure and platform in response to these trends, which may lead to significant ongoing research and development costs. We may be unable to accurately determine the needs of our customers and the trends or to design and implement the appropriate features and functionality of our technology infrastructure and platform in a timely and cost-effective manner, which could result in decreased demand for our products and a corresponding negative impact on our financial performance.

In addition, we may not be able to fully monetize and realize the benefits of the technology capabilities we develop. Firstly, our technology capabilities may not be commercially viable for an indefinite amount of time or at all, or may not result in adequate return of capital on our investments. Secondly, unidentified issues may not be discovered in the development stage of our new technologies, which could cause us to fail to realize the anticipated benefits and incur unanticipated costs. If our technologies suffer unanticipated or atypical failures that were not anticipated in the design stage, our cost may materially increase, which may adversely impact our operating results. Thirdly, to the extent that our customers decide not to accept our upgraded technology capabilities until there is more performance history for our upgraded technology capabilities, our operating results may be adversely impacted.

42. ***Under-utilization of our existing manufacturing facilities and an inability to effectively utilize our manufacturing capacities could have an adverse effect on our business, future prospects, and future financial performance.***

Our ability to maintain our profitability depends on our ability to optimize our product mix, hence, the level of our capacity utilization can impact our operating results. As of / for the financial year ended March 31, 2023, our manufacturing facility at Bommasandra Jigani Link Road had a capacity utilization of 62.31%, according to the Chartered Engineer, pursuant to a certificate dated September 4, 2023. Further, while the combined capacity utilisation of our facility at Electronic City cannot be ascertained, as of / for the year ended March 31, 2023, the seating and beds, kitchen and cabinetary, cased goods (dining table / chair set), mattress and pillow and automotive (OEM) divisions each had a capacity utilisation of 70.03%, 20.33%, 29.83%, 11.50% and 51.24%, respectively.

Our capacity utilization levels are dependent on the availability of raw materials, industry/market conditions as well as the requirements of our customers. In the event we face disruptions at our manufacturing facilities including as a result of labour unrest or we are unable to procure sufficient raw materials could result in operational inefficiencies which could have a material effect on our business and financial condition as we will be unable to achieve full capacity utilization of our current manufacturing facilities. The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs. Under-utilization of our manufacturing capacity over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

43. Strikes, work stoppages, increased wage demands or other employee disputes could adversely affect our operations.

We believe our employees and personnel, including personnel at our manufacturing facilities and stores are critical to maintain our competitive position. Our employees are not currently represented by any labour unions or recognised collective bargaining agreements. If a labour dispute or conflict were to develop between us and our employees or contracted labourers were to unionise or go on strike, we could become a target for union organizing activities and suffer work stoppage for a significant period of time. The unionisation of our employees, and any strikes, work stoppages, industrial actions or other forms of labour unrest or collective actions directed against us or our business partners could hinder our business operations or result in negative publicity that could adversely affect the "Stanley" brand and reputation.

Work stoppages can result in significant disruptions or delays in our ability to complete our orders. A labour dispute can be difficult to resolve and may require us to seek arbitration for resolution, which can be time-consuming, distracting to management, expensive and difficult to predict. In addition, labour disputes with a unionised employee or worker may involve substantial demands on behalf of the unionised employees or workers, including substantial wage increases, which may not be correlated with our performance, thus impairing our financial results. In the event that we are unable to pass on any increased labour costs to our customers, our business operations, financial condition and cash flows may be adversely affected. Further, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force.

Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Instances of labour unrest, slowdowns or work stoppages are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

44. We appoint contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations.

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations, including our manufacturing operations and operation of our COCO stores. Although we do not engage these labour directly, we may be held responsible to pay their social benefits or shortfall in wages and provide certain amenities and facilities, if the independent contractors fail to do so, by a regulatory body or court, which may adversely affect our results of operations. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

45. Our Promoters will be able to exercise significant influence and control over us after the Offer and may have interests that are different from or conflict with those of our other shareholders.

As on the date of this Draft Red Herring Prospectus, our Promoters held 67.35% of the share capital of our Company on fully diluted basis, for further information on their shareholding pre and post Offer, see "*Capital Structure*" on page 74. Post consummation of the Offer, our Promoters may be appointed as executive directors, till such time that they continue to be promoters of the Company as defined under the applicable laws, subject to receipt of approval of the Shareholders post consummation of the Offer by way of a special resolution, at the first general meeting of the Shareholders' held by the Company and thereafter subject to receipt of approval of Shareholders, periodically by special resolution as prescribed under applicable law. For further details in relation to the current and proposed nominee rights of our Promoter, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 212, respectively. After the completion of the Offer, our Promoters will continue to collectively hold substantial shareholding in our Company, and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of our assets, any assignment or transfer of interest in any of our properties, and the policies for dividends, lending, investments and capital expenditures. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of our other shareholders.

46. COVID-19 pandemic had a material impact on our business operations.

The impact of the COVID-19 pandemic on our business and operations, including its impact on the ability or desire of consumers to purchase our products, may have an adverse effect on our business, results of operations, financial condition and cash flows.

The impact of the COVID-19 pandemic on our business, operations and financial performance included but not limited to:

- Temporary store closures, including due to decline in customer footfall and sales, and reduced operating hours as mandated by regional regulatory bodies. In Fiscal 2021, our revenue from operation was ₹ 1,957.80 million. However, lifting of COVID-19 related restrictions resulted in increase in customer footfall which led to growth in our business and our revenue from operation was ₹ 2,922.04 million in Fiscal 2022.
- Temporary closure of our offices and decline in availability of workforce due to employees contracting the virus, rationalization of workforce, and restrictions on travel and movement due to lockdowns imposed by various state governments, affecting commute of employees to their places of work.
- Disruptions of the services we received from third-parties including our job-workers, due to limited and sporadic availability of raw materials, fluctuating and unpredictable demands, and disruptions in supply chain.
- We had experienced delays in payments that we were required to pay to our vendors.

Additionally, there can be no assurance that we will be able to successfully achieve our business plan or expansion strategies in the event of subsequent waves of COVID-19 pandemic or any other pandemic in India that lead to additional restrictive measures or hamper overall economic recovery. In addition, if our Key Managerial Personnel, Senior Managerial Personnel or a significant percentage of our workforce is unable to work due to COVID-19 illness, quarantine, limitations on travel or other government restrictions in connection with the COVID-19 pandemic, our operations may be negatively impacted. An outbreak or perceived outbreak of the COVID-19 pandemic connected to our stores could also cause negative publicity directed at any of our customers and cause them to avoid our products, which could have a material adverse effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

47. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose.

We have availed the services of an independent third-party research agency, RedSeer, appointed by us on April 11, 2023, to prepare an industry report titled "*Deep Dive into Luxury and Super-Premium Furniture Industry*" dated September, 2023, that has been exclusively commissioned and paid for by us, for purposes of inclusion of such information in this Draft Red Herring Prospectus. A copy of the RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf, in compliance with applicable laws. The RedSeer Report is subject to various limitations and based upon certain assumptions that are subjective in nature. While we have taken reasonable care in the reproduction of the information, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

48. Our business, revenue from operations, financial condition and cash flows are impacted by the tailwinds of the Indian luxury furniture market.

We are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022 and the largest in terms of number of stores and the fastest in term of revenue growth growing brand in the furniture segment *(Source: RedSeer Report)*. Over the years, we have transformed into a comprehensive provider of home solutions and are one of the few super-premium and luxury Indian brand that provide a wide range of home solutions offerings, such as sofas, arm chairs, kitchen cabinets, beds, mattresses and pillows, amongst others (*Source: RedSeer Report*).

India currently offers a luxury/super-premium furniture and home goods market of US$ 1.5 billion in Fiscal 2023 which includes sofas, chairs, dining tables, wardrobes, kitchens, home furnishings goods such as bath linens, kitchen, cushions and covers, bed linen, curtains, flooring and mattress, home décor good such as table décor, tableware, spiritual & wall decors, lighting (includes lamps, wall lights, ceiling lights, smart lights, festive lights and LED lights) and others. *(Source: RedSeer Report)* This market is poised to triple in the next four years to reach US$ 4.8 billion. *(Source: RedSeer Report)* The luxury/super-premium furniture market in India is driven by the increasing affluence of consumers, global influences, integration of technology and the growing demand for sustainable furniture choices. These factors collectively contribute to the growth and dynamism of the luxury/super-premium furniture market in India, providing consumers with a wide range of options to create sophisticated living spaces. *(Source: RedSeer Report)*

The development of the Indian luxury furniture is affected by a number of factors, most of which are beyond our control. These factors include but not limited to: (i) fragmented supply chain; (ii) lack of skilled labour; (iii) turnaround times; (iv) technological integration; and (v) the market being a architect driven market.

We cannot assure you that the luxury and premium furniture market in India will grow at the projected rates, or that any adverse changes to the luxury and premium furniture market in India will not impact our business, prospects, revenue from operations, financial condition or cash flows. In addition, our results of operations are sensitive to changes in overall economic and political conditions that impact consumer spending. The Indian furniture market, in particular, is very sensitive to broad economic changes, and real estate prices. Many factors outside of our control, including interest rates, volatility of India's and the world's stock markets, inflation, tax rates and other government policies, and unemployment rates can affect consumer confidence and spending. The domestic and international political environments, including conflicts, political turmoil or social instability, may also affect consumer confidence and reduce spending, which could affect our growth and profitability.

49. We may enter into necessary or desirable strategic acquisitions, or make acquisitions, or investments to grow our business. Any failure to achieve the anticipated benefits from these strategic acquisitions, or investments with our existing business, could adversely affect us.

From time to time, we may consider opportunities to acquire or make investments in new or complementary businesses, facilities, technologies, or products, or enter into strategic alliances, that may enhance our capabilities, complement our current products, or expand our market share. Our strategy for long-term growth, productivity and profitability depends in part on our ability to make prudent strategic investment or acquisition decisions and to realize the benefits we expect when we make those investments or acquisitions. In the past, we have entered into strategic partnerships while expanding our operations to tap their network to access potential high net worth individuals. We have also in the past acquired stakes of certain third parties in some of our Subsidiaries. For further information see " - *We rely on our partners who are minority shareholders in certain of our Subsidiaries.*" on page 34.

Investments or acquisitions involve numerous risks, including:

- problems integrating the acquired business, facilities, technologies, or products, including issues maintaining uniform standards, procedures, controls, policies, and culture;
- unanticipated costs associated with acquisitions, investments, or strategic alliances;
- diversion of management's attention from our existing business;
- risks associated with entering new markets in which we may have limited or no experience;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

We may be unable to identify acquisitions or strategic relationships we deem suitable. Even if we do, we may be unable to successfully complete any such transactions on favorable terms or at all, or to successfully integrate any acquired business, facilities, technologies, or products into our business or retain any key personnel, suppliers, or customers. Furthermore, even if we complete such transactions and effectively integrate the newly acquired business or strategic alliance into our existing operations, we may fail to realize the anticipated returns and/or fail to capture the expected benefits, such as strategic or operational synergies or cost savings. The efforts required to complete and integrate these transactions could be expensive and time-consuming and may disrupt our ongoing business and prevent management from focusing on our operations. If we are unable to identify suitable acquisitions or strategic relationships, or if we are unable to integrate any acquired businesses, facilities, technologies, and products effectively, or if we fail to realize anticipated returns or capture expected benefits, our business, financial condition, and results of operations could be adversely affected.

50. The average cost of acquisition of Equity Shares by the Promoters and the Selling Shareholders may be less than the Offer Price.

The average cost of acquisition of Equity Shares by the Promoters (also the Promoter Selling Shareholders) and the Selling Shareholders (excluding the Promoter Selling Shareholders) may be less than the Offer Price.

The details of the average cost of acquisition of Equity Shares held by the Promoters (also the Promoter Selling Shareholders) are set out below:

S. No.	Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share* (in ₹)
1.	Sunil Suresh	17,375,547	3.05
2.	Shubha Sunil	17,375,533	3.05

As certified by NBT and Co, Chartered Accountants, by way of their certificate dated September 4, 2023.

The details of the average cost of acquisition of Equity Shares held by the Selling Shareholders (excluding the Promoter Selling Shareholders) are set out below:

S. No.	Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share* (in ₹)
Investor Selling Shareholder			
1.	Oman India Joint Investment Fund II	1,38,61,134	108.22
Individual Selling Shareholders			
1.	Kiran Bhanu Vuppalapati	1,946,847	5.73
2.	Sridevi Venkata Vuppalapati	317,107	27.86

As certified by N B T and Co, Chartered Accountants, by way of their certificate dated September 4, 2023.

51. ***Certain of our Directors, Key Managerial Personnel and Senior Managerial Personnel have interests in our Company in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors, Key Managerial Personnel and Senior Managerial Personnel may be regarded as interested in our Company and our Subsidiaries, in addition to regular remuneration or benefits and reimbursement of expenses and such interests are to the extent of their, their relatives and their company's shareholding in our Company, payment of dividend or distributions thereon, payment of royalty to one of our Promoters, Sunil Suresh for using the trademark "*Stanley*" (which has been terminated subsequent to March 31, 2023 pursuant to the Transferred IP) and employee stock options held by them. For the payments that are made by our Company to related parties including remuneration to our Directors and our Key Managerial Personnel, see "*Summary of the Offer Document– Summary of Related Party Transactions*" on page 21 . For further details, see "*Capital Structure*" and "*Our Management*" on pages 74 and 216, respectively.

52. ***We engage third parties for certain aspects of our operations and any failure to maintain our relationships with them could have an adverse effect on our business, financial condition and results of operations.***

We engage independent third parties to supplement some aspects of our operations, such as finishing of our products. Their timeliness, service quality and performance will impact our overall service quality, branding and reputation. In addition, we may face difficulties finding reliable partners whose performance and reliability meet our standards at the scale our operations require. Decreased availability or increased costs of key logistics and supply chain services could impact our cost of operations, our profitability, as well as our cash flows. In addition, we may also be exposed to legal risks and subject to certain liabilities, including administrative fines, if those third parties fail to obtain all necessary licenses and permits as required. In addition, we are partly dependent on third parties to report certain events to us, such as delivery information and cargo claims. This partial reliance on third parties could cause delays in reporting certain events, impacting our ability to recognize revenue and claims in a timely manner.

We cannot assure you that we will be able to obtain access to preferred third-party service providers at attractive rates or that these providers will have adequate capacity available to meet our needs. While we strive to maintain long-lasting and favorable relationships with such third-party service providers and are generally able to obtain favorable pricing and other terms from such parties, if we fail to maintain these relationships with our third-party service providers or if they are unable to provide the products and services we need or undergo financial hardship, we could experience difficulty in obtaining needed materials and services because of production interruptions, limited material availability or other reasons. This could limit our ability to serve our customers on competitive terms and our business and operations could be adversely affected.

53. ***We do not own premises for our Registered and Corporate Office and are held by us on a leasehold basis. Further, we operate our warehouses and manufacturing facilities on parcels of land that are held by us on a leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our Registered and Corporate Office is held by us on a lease basis for a period of 12 years from a third party which is valid until 2031. Further, all our operational manufacturing facilities are held by us on leased basis. The table below provides leased details of our manufacturing facilities:

S No	Name and address of the manufacturing facilities	Area (in Square feet)	Owned / Leased
1	Electronic City, Bengaluru, Karnataka	197,643	Comprises four buildings: Building 1: Leased for a period of 12 years till January 15, 2031. Building 2: Leased for a period of 10 years and six months till February 5, 2031. Building 3: Leased for a period of three years till October 14, 2023.

			Building 4: Leased for a period of nine years till March 13, 2031.
2	Bommasandra Jigani Link Road, Bengaluru, Karnataka	103,243	Leased for a period of 15 years till August 31, 2036.

Further, we have also leased three warehouses located at Electronic City, Bengaluru, Karnataka, Hyderabad, Telangana and Faridabad, Haryana as set out below.

S. No.	Name and Address of the Warehouses Facility	Area (in Square feet)	Owned / Leased
1.	Electronic City, Bengaluru, Karnataka	45,000	Leased for a period of 11 months and valid up to January 31, 2024.
2.	Thimmapur, Hyderabad, Telangana	22,600	Leased for a period of nine years and valid up to January 31, 2031.
3.	Faridabad, Haryana	2,500	Leased for a period of three years. Currently, the lease agreement has expired, and we are in process of renewing the lease.

For further information, see "*Our Business – Properties*" on page 199. We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

54. If we experience a cyber security breach or other security incident or unauthorised parties otherwise obtain access to our data, our reputation may be harmed, demand for our products may be reduced and we may incur significant liabilities, which could adversely affect our business and our reputation.

While we have taken steps to protect the security of the information that we handle, there can be no assurance that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats. Our security measures or those of our third-party service providers could fail and result in unauthorised access to or use of our platform and products or unauthorised, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our customers data.

In addition, computer malware, computer hacking, fraudulent use, social engineering (such as spear-phishing attacks), ransomware, credential stuffing, denial of service attacks, supply chain attacks, and general malicious activity have become more prevalent, and such incidents or incident attempts have occurred in the past and may occur in the future. If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed, which, in turn, could damage our relationships with our customers. If security measures are breached because of employee theft, exfiltration, misuse or malfeasance, our or third party actions, omissions, or errors, unintentional events, deliberate attacks by cyber criminals or otherwise, or if design flaws in our software or systems are exposed and exploited, our relationships with customers could be damaged, and we could incur liability. A party that can circumvent our security measures could misappropriate our proprietary information or the information of customers, cause an interruption in our operations or damage the computers or other hardware of such dealers or consumers. As a result of any such breaches, our customers may assert claims of liability against us for our failure to prevent these activities. These activities may subject us to legal claims, adversely impact our reputation and interfere with our ability to maintain our platform, all of which may have an adverse effect on our business, results of operations, cash flows and financial condition. Failure to protect our customers data, or to provide our customer with appropriate notice of our privacy practices, could also subject us to liabilities imposed by regulatory agencies or courts. Restrictions on our ability to collect and use data as required could negatively affect our business and actions by operating system platform providers or application stores may affect the manner in which we collect, use and share data from customer devices.

55. We are dependent on our Promoters, Directors and a number of Key Managerial and Senior Managerial Personnel and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are dependent on our Promoters, Directors and other Key Managerial and Senior Managerial Personnel as well as persons with technical expertise for setting our strategic business direction and managing our business. We believe that the inputs and experience of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

The table below provides details of our the attrition rates in relevant periods:

Particulars	Fiscal		
	2021	2022	2023
Number of permanent employees attritted	460	290	262
Number of our permanent employees attritted as a percentage of number of average permanent employees* (%)	62.04%	42.15%	35.19%

**Average Permanent employees means, average of number of permanent employees as at the end of fiscal and number of permanent employees as at the end of previous fiscal.*

While we believe that the attrition rate in Fiscal 2022 and Fiscal 2023 were consistent with the industry in which we operate, however, we experienced a greater attrition rate in Fiscal 2021 on account of the impact of COVID-19. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

External Risks

Risks Related to India

56. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, and results of operations. Developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, adversely impact availability of natural gas, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus and the monkeypox virus. A worsening of the outbreak of the COVID-19 pandemic or future outbreaks of SARS-CoV-2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

57. Political, economic or any other factors beyond our control may have an adverse effect on our business, results of operations, financial condition and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, results of operations, financial condition and cash flows and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity, and the price of our Equity Shares.

As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. The following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- instability in other countries and adverse changes in geopolitical situations;
- change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;
- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;
- a decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region;
- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition and cash flows and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate. Moreover, we are dependent on the various policies, initiatives and schemes proposed or implemented in India, however, there can be no assurance that such policies, initiatives and schemes will yield the desired results or benefits which we anticipate and rely upon for our growth.

58. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, financial condition and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war such as ongoing Ukraine-Russia conflict, natural calamities, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence in other emerging market economies and any worldwide financial instability. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, results of operations, financial condition and cash flows.

59. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

60. Changing laws, rules or regulations and legal uncertainties in India, including adverse application of taxation laws and regulations, may adversely affect our business, results of operations, financial condition and cash flows.

The regulatory and policy environment in which we operate is evolving and is subject to change.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Further, any future amendments may affect our tax benefits such as exemptions for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemptions for interest received in respect of tax-free bonds, and long-term capital gains on equity shares. The Government of India has announced the union budget for the Fiscal 2023, pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act 2023. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. For further discussion on capital gains tax, see "*Risks Relating to the Equity Shares— Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares*" on page 58.

We cannot predict the impact of any changes in or interpretations of existing, or the promulgation of, new laws, rules and regulations applicable to us and our business. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and expend resources relating to compliance with such new requirements, which may also require significant management time, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

61. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

62. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. RBI's Monetary Policy Committee has projected inflation for Fiscal 2023 to drop to 5.2 per cent from 5.3 per cent forecast in February's Monetary Policy. Furthermore, it has projected inflation for the first quarter of Fiscal 2023 at 5.1 percent, 5.4 percent for the second and third quarters and 5.2 percent for the fourth quarter. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

63. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia,* modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered by us could be within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct, or combination occurring outside India if such agreement, conduct, or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows, and prospects.

64. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, our Key Managerial Personnel, Senior Managerial Personnel, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors, Key Managerial Personnel and Senior Managerial Personnel are located in India. Further, all of our Company's assets are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Code of Civil Procedure, 1908 ("**CPC**"). The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Risks Relating to the Equity Shares

65. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

66. The trading volume and market price of the Equity Shares may be volatile following the Offer.

Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares. Further, the market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

67. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

68. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Finance Act, 2020 had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act, 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act, 2020, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Further, the Finance Act, 2021, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Further, the Government of India has announced the union budget for Fiscal 2024, pursuant to which the Finance Act, 2023, came into force on April 1, 2023 which has introduced various amendments to the IT Act. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether the amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

69. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares including to comply with minimum public shareholding norms applicable to listed companies in India or, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

70. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 397.

71. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Information for Fiscal 2021, 2022 and 2023, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

72. ***The current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.***

The current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further information, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the Book Running Lead Managers*" on page 363. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

73. ***QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

74. ***Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

75. U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.

A foreign corporation will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on of the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

No assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of our Equity Shares, which may fluctuate considerably.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares[(1)(2)(3)]	Up to [●] Equity Shares aggregating up to ₹[●] million
of which:	
i. Fresh Issue[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹ 2,000.00 million
ii. Offer for Sale[(3)]	Up to 9,133,454 Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:	
A) QIB Portion[(5)(6)]	Not more than [●] Equity Shares
of which:	
Anchor Investor Portion[(5)]	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(6)]	[●] Equity Shares
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(5)]	Not less than [●] Equity Shares
Of which	
One-third available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1 million	[●] Equity Shares
Two-third available for allocation to Bidders with an application size of more than ₹ 1.00 million	[●] Equity Shares
C) Retail Portion[(5)]	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer as on the date of this Draft Red Herring Prospectus	51,597,168 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds by our Company	See "*Objects of the Offer*" on page 87 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 400.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(2) The Fresh Issue has been authorised by our Board and our Shareholders pursuant to the resolutions passed at their respective meetings dated August 31, 2023 and August 31, 2023, respectively. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 4, 2023.

(3) Each Selling Shareholder has, severally and not jointly, specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. The details of such authorisations are provided below:

Name of the Selling Shareholder	***Maximum number of Equity Shares offered in the Offer for Sale***	***Date of resolution***	***Date of consent letter***
Promoter Selling Shareholders			
Sunil Suresh	*1,182,000*	-	*September 4, 2023*
Shubha Sunil	*1,182,000*	-	*September 4, 2023*
Investor Selling Shareholder			
Oman India Joint Investment Fund II	*5,544,454*	*August 9, 2023*	*September 4, 2023*
Individual Selling Shareholders			
Kiran Bhanu Vuppalapati	*1,000,000*	-	*September 4, 2023*
Sridevi Venkata Vuppalapati	*225,000*	-	*September 4, 2023*

(4) Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

(5) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For further details, see "Offer Procedure" on page 380.

Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1.00 million, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹ 1.00 million and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 377, 371 and 380, respectively.

For further details of the terms of the Offer, see "*Terms of the Offer*" on page 371.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide summary of financial information of our Company derived from the Restated Consolidated Financial Information.

The summary of financial information presented below should be read in conjunction with "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 235 and 320, respectively.

(The remainder of this page is intentionally left blank)

SUMMARY OF RESTATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, except for share data and if otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	705.29	512.60	366.30
Capital work-in-progress	11.60	7.90	-
Goodwill on consolidation	37.27	27.05	25.57
Right of use assets	1,245.12	1,106.82	774.70
Intangible assets	28.57	8.03	8.70
Intangible assets under development	11.23	-	-
Financial assets			
(i) Other financial assets	115.71	108.92	87.97
Deferred tax assets (net)	106.63	81.28	64.13
Current tax assets (net)	26.34	62.91	35.19
Other non-current assets	24.49	7.68	7.16
Total non-current assets	**2,312.25**	**1,923.19**	**1,369.72**
Current assets			
Inventories	1,213.87	1,181.70	952.91
Financial assets			
i) Trade receivables	165.40	189.48	139.52
ii) Cash and cash equivalents	96.68	102.57	121.21
iii) Bank balances (other than (ii) above)	637.32	643.70	743.68
iv) Other financial assets	45.12	33.48	31.84
Other current assets	111.22	147.33	106.28
Total current assets	**2,269.61**	**2,298.26**	**2,095.44**
Total Assets	**4,581.86**	**4,221.45**	**3,465.16**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	73.71	73.71	73.71
Other equity	2,091.31	1,923.84	1,755.61
Total equity attributable to equity holder	**2,165.02**	**1,997.55**	**1,829.32**
Non controlling interests	72.97	58.47	46.62
Total equity	**2,237.99**	**2,056.02**	**1,875.94**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	2.29	5.58	1.12
ii) Lease liabilities	1,251.06	1,090.16	784.61
iii) Asset retirement obligation	38.69	30.73	21.07
Provisions	10.57	10.15	13.97
Total non-current liabilities	**1,302.61**	**1,136.62**	**820.77**
Current liabilities			
Financial liabilities			
i) Borrowings	91.41	55.28	1.41
ii) Lease liabilities	167.93	146.07	88.06
iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	79.01	46.43	5.82
b) Total outstanding of creditors other than (iii) (a) above	358.94	439.07	417.79
iv) Other financial liabilities	0.35	0.35	0.45
Provisions	27.38	20.82	15.21
Other current liabilities	297.42	270.45	208.69
Current tax liabilities (net)	18.82	50.34	31.02
Total current liabilities	**1,041.26**	**1,028.81**	**768.45**
Total liabilities	**2,343.87**	**2,165.43**	**1,589.22**
Total equity and liabilities	**4,581.86**	**4,221.45**	**3,465.16**

SUMMARY OF RESTATED STATEMENT OF PROFIT AND LOSS

(in ₹ million, except for share data and if otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	4,189.98	2,922.04	1,957.80
Other income	66.24	55.51	59.31
Total revenues	**4,256.22**	**2,977.55**	**2,017.11**
Expenses			
Cost of materials consumed	2,042.55	1,456.10	902.00
Purchase of stock-in-trade	108.14	201.30	52.90
(Increase)/decrease in inventories	(107.82)	(216.88)	20.50
Employee benefits expenses	494.57	337.37	270.36
Finance costs	146.91	108.78	87.72
Depreciation and amortisation	282.50	217.45	207.14
Other expenses	825.37	554.07	414.29
Total expenses	**3792.22**	**2658.19**	**1954.91**
Restated Profit before tax	**464.00**	**319.36**	**62.20**
Tax expenses:			
Current tax	143.98	103.54	48.60
Deferred tax	(25.91)	(18.77)	(34.00)
Short/(excess) provision of tax relating to earlier years	(3.84)	2.40	28.37
Total tax expenses	**114.23**	**87.17**	**42.97**
Restated Profit for the year	**349.77**	**232.19**	**19.23**
Profit attributable to non controlling interest	21.02	18.70	8.92
Profit attributable to owners	**328.75**	**213.49**	**10.31**
Other comprehensive income			
Other comprehensive income not be reclassified to profit and loss in subsequent periods:			
Remeasurement gains on net defined benefit plans	2.23	6.43	5.71
Income tax relating to above	(0.56)	(1.62)	(1.44)
Other comprehensive income for the year, net of tax	**1.67**	**4.81**	**4.27**
Restated other comprehensive income/(losses) attributable to non controlling interest	(0.11)	0.07	0.13
Restated other comprehensive income attributable to owners	1.78	4.74	4.14
Restated Total comprehensive income for the year (net of tax)	**351.44**	**237.00**	**23.50**
Restated total comprehensive income/(losses) attributable to non controlling interest	20.91	18.77	9.05
Restated total comprehensive income/(losses) attributable to owners	330.53	218.23	14.45

SUMMARY OF RESTATED STATEMENT OF CASH FLOWS

(*in ₹ million, except for share data and if otherwise stated*)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Cash flows from operating activities			
Profit before tax for the year	464.00	319.36	62.20
Adjustments for -			
Depreciation and amortisation expenses	282.50	217.45	207.14
Bad debts	1.01	1.98	2.69
Provision for credit allowances	6.78	1.90	15.38
Finance costs	146.91	108.78	87.72
Unrealised foreign exchange (gain)/ loss (net)	(0.07)	(10.65)	(3.20)
Interest income	(35.72)	(40.53)	(46.09)
Provisions for warranty	2.58	2.22	0.03
Liabilities no longer required written back	(15.96)	(3.96)	(4.99)
Share based payment expense	6.94	-	-
(Gain)/ loss on sale of property, plant and equipment (net)	(2.93)	2.34	34.43
Cash flows from operating activities before working capital changes	**856.04**	**598.89**	**355.31**
Changes in operating assets and liabilities:			
(Increase) in inventories	(32.17)	(228.80)	(87.35)
(Increase)/Decrease in trade receivables	16.29	(53.84)	(38.16)
(Increase)/Decrease in other financial assets	(30.97)	(14.15)	11.94
(Increase)/Decrease in other assets	19.31	(41.57)	(30.45)
Increase/(Decrease) in Current provisions	(4.40)	0.43	0.76
Increase/(Decrease) in trade payables	(34.92)	78.95	134.63
Increase /(Decrease) in financial liabilities	-	(0.10)	(18.79)
Increase /(Decrease) in other current liabilities	25.62	59.76	43.44
Cash generated from operations	**814.80**	**399.57**	**371.33**
Income taxes paid (net)	(135.09)	(114.34)	(41.53)
Net cash flow from operating activities	**679.71**	**285.23**	**329.80**
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress, capital advances and capital creditors)	(303.13)	(221.30)	(105.05)
Proceeds from sale of property, plant and equipment	4.45	0.86	2.78
Investment in Goodwill	(10.22)	(1.48)	-
Proceeds from bank deposits	6.38	99.98	37.31
Investment in intangible assets under development	(11.23)	-	-
Interest received	48.26	10.65	32.69
Advance received	(2.00)	2.00	-
Changes in Non Controlling Interest	(6.41)	(6.92)	0.58
Net cash used in investing activities	**(273.90)**	**(116.21)**	**(31.69)**
Cash flows from financing activities			
Proceeds from short term borrowings (net)	47.85	-	-
Repayment of borrowings	(15.01)	58.33	(70.28)
Processing fees for working capital borrowings	(1.25)	-	-
Interest on lease rentals	(122.32)	(93.29)	(78.81)
Payment of lease rentals	(131.64)	(89.90)	(83.56)
Dividend paid	(170.00)	(50.00)	-
Interest paid on borrowings	(19.33)	(12.80)	(6.10)
Net cash used in financing activities	**(411.70)**	**(187.66)**	**(238.75)**
Net increase/(decrease) in cash and cash equivalents	(5.89)	(18.64)	59.36
Cash and cash equivalents at the beginning of the year	102.57	121.21	61.85
Cash and cash equivalents at the end of the year	**96.68**	**102.57**	**121.21**
Cash and cash equivalents comprise of:			
Cash on hand and Cheque in hand	0.65	0.52	4.67
Bank Balances			
- in current accounts	96.03	102.05	116.54
Cash and cash equivalents at the end of the year	**96.68**	**102.57**	**121.21**

GENERAL INFORMATION

Our Company was originally formed as a partnership firm under the Partnership Act, 1932 in the name of 'Stanley Seating' pursuant to a deed of partnership dated February 1, 2007. Our Company was thereafter incorporated as a public limited company as 'Stanley Lifestyles Limited' upon its conversion from a partnership firm in accordance with the provisions of Part IX of the Companies Act, 1956 and received a fresh certificate of incorporation dated October 11, 2007 and a certificate for commencement of business dated December 14, 2007 from the RoC.

Corporate Identity Number

Corporate Identity Number: U19116KA2007PLC044090

Registered and Corporate Office

Stanley Lifestyles Limited
SY No. 16/2 and 16/3 Part
Hosur Road, Veerasandra Village
Attibele Hobli, Anekal Taluk
Bengaluru
Karnataka 560 100
Tel: +91 80 6895 7200
E-mail: investors@stanleylifestyles.com
Website: www.stanleylifestyles.com

For further details of past changes in the registered office address of our Company, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 205.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bengaluru, situated at:

E Wing, 2nd Floor, Kendriya Sadan
Kormangala, Bengaluru
Karnataka 560 034

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically through SEBI's online intermediary portal at https://siportal.sebi.gov.in in accordance with the SEBI ICDR Master Circular. It will also be filed with the SEBI at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E)
Mumbai
Maharashtra 400 051

The Red Herring Prospectus and Prospectus, respectively, will be filed with the RoC in accordance with Section 32, read with Section 26 of the Companies Act, along with the material contracts and documents referred to in each of the Red Herring Prospectus and the Prospectus, respectively, and through the electronic portal of MCA.

Board of Directors

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Sunil Suresh	Managing Director	01421517	No. 275, 10th Cross, Wilson Garden, Bengaluru, Karnataka 560 027
Shubha Sunil	Whole Time Director	01363687	No. 1/1, Flat S-2, Skyline May Flower Apartments, Leonard Lane, Richmond Town, Bengaluru, Karnataka 560 025
Vishal Verma	Non-Executive Nominee Director*	07056461	E-604, 6th Floor, Raheja Vistas CHSL, Raheja Vihar, Chandivali, Powai, Mumbai, Maharashtra 400 072
Girish Shrikrishna Nadkarni	Independent Director	00040971	B-37, 37th Floor, Ahuja Tower, Rajabhav Desai Marg, Prabhadevi, Mumbai, Maharashtra 400 025

Name	Designation	DIN	Address
Ramanujam Venkat Raghavan	Independent Director	06886628	173 Sobha Morzaria Grandeur Apartment, Bannerghatta Main Road, Dharmaram College, Bengaluru, Karnataka 560 029
Anusha Shetty	Independent Director	01666992	#2, Century Renata - Flat 410, Raja Ram Mohan Roy Road, opposite EPF office, Sampangiram Nagar, Richmond Town, Bengaluru, Karnataka 560 025

** Nominee of Oman India Joint Investment Fund II.*

For further details of our Board, see "*Our Management*" on page 216.

Company Secretary and Compliance Officer of our Company

Akash Shetty
SY No. 16/2 and 16/3 Part
Hosur Road, Veerasandra Village
Attibele Hobli, Anekal Taluk
Bengaluru
Karnataka 560 100
Tel: +91 80 6895 7200
E-mail: compliance@stanleylifestyles.com

Statutory Auditor

Deloitte Haskins & Sells LLP, Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru
Karnataka 560 001
Tel: +91 80 6188 6000
E-mail: sandeepkukreja@deloitte.com
Peer Review No: 013179
Firm Registration Number: 117366W/W-100018

Change in Statutory Auditors since last three years

There has been no change in the Statutory Auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai
Maharashtra 400 025
Tel: +91 22 4325 2183
E-mail: stanley.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Mayuri Arya/ Pratik Pednekar
SEBI registration no.: INM000012029

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai
Maharashtra 400 025
Tel: +91 22 6807 7100
E-mail: stanley.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor grievance e-mail: customercare@icicisecurities.com
Contact person: Kristina Dias/ Namrata Ravasia
SEBI registration no.: INM000011179

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai
Maharashtra 400 025
Tel: +91 22 6630 3030
E-mail: stanleylifestyles.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Contact person: Prachee Dhuri

SBI Capital Markets Limited#
1501, 15th Floor, A & B Wing
Parinee Crescenzo
G Block, Bandra Kurla Complex, Bandra (E)
Mumbai
Maharashtra 400 051
Tel: +91 22 4006 9807
E-mail: Stanley.ipo@sbicaps.com
Website: www.sbicaps.com
Investor grievance e-mail: investor.relations@sbicaps.com
Contact person: Janardhan Wagle/ Krithika Shetty

SEBI registration no.: INM000010361 **SEBI registration no.**: INM000003531

#*SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.*

Legal Advisors to the Offer

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru
Karnataka 560 025
Tel: +91 80 6792 2000

Registrar to the Offer

KFin Technologies Limited
(*formerly known as KFin Technologies Private Limited*)
Selenium Tower B, Plot No.31-32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: sll.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank

[●]

Sponsor Banks

[●]

Banker to our Company

State Bank of India,
1st Floor, Krishi Bhavan Hudson Circle
Bangalore, Karnataka,
Bangalore Urban 560 001
Tel: +91 80 2594 3350
E-mail - rm1.sbi04196@sbi.co.in
Website: https://sbi.co.in/
Contact Person: Ashwini Kumar Deshmukh

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate Self-Certified Syndicate Banks' Branches

In relation to Bids (other than Bids by Anchor Investor) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 4, 2023, 2023 from Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report dated August 31, 2023 on our Restated Financial Statements; and (ii) their report dated September 4, 2023 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 4, 2023 from N B T and Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received written consent dated September 4, 2023 from G. Shankar Rao, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated September 4, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities in relation to the Offer among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy. Due diligence of Company including its operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of Red Herring Prospectus, Prospectus, Offer Agreement, Syndicate and Underwriting Agreements and RoC filing	Axis, ISec, JM, SBICAPS#	Axis
2.	Drafting and approval of all statutory advertisements	Axis, ISec, JM, SBICAPS#	Axis
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising and brochures and filing of media compliance report with SEBI	Axis, ISec, JM, SBICAPS#	JM
4.	Appointment of intermediaries – Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries including coordination of all agreements	Axis, ISec, JM, SBICAPS#	ISEC
5.	Preparation of roadshow presentation for the road show team	Axis, ISec, JM, SBICAPS#	JM
6.	Preparation of FAQs for the company team	Axis, ISEC, JM, SBICAPS#	SBICAPS#
7.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one- to-one meetings • Finalising international road show and investor meeting schedules	Axis, ISec, JM, SBICAPS#	JM
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy preparation of publicity budget; • Finalizing the list and division of domestic investors for one- to-one meetings; and • Finalizing domestic road show and investor meeting schedule These will be done in consultation with & approval of the management and selling shareholders	Axis, ISec, JM, SBICAPS#	Axis
9.	• Conduct non-institutional marketing of the Offer	Axis, ISec, JM, SBICAPS#	SBICAPS#
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy, and publicity budget • Finalising collection centre • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Axis, ISec, JM, SBICAPS#	ISec
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading and Deposit of 1% security deposit with the designated stock exchange, anchor coordination, anchor CAN and intimation of anchor allocation and preparation of CAN for Anchor Investors	Axis, ISec, JM, SBICAPS#	JM
12.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholders	Axis, ISec, JM, SBICAPS#	Axis

S. No.	Activity	Responsibility	Coordinator
13.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Bank about the closure of the Offer, based on correct figures, finalisation of the basis of allotment based on technical rejections, post Offer stationery and, coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Sponsor Banks Self-Certified Syndicate Bank including responsibility for underwriting arrangements (as applicable), listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf of Selling Shareholders, coordination for investor complaints related to the Offer, Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit	Axis, ISec, JM, SBICAPS#	ISec

 # SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of the SEBI ICDR Regulations. The relevant details shall be included in the Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Illustration of the Book Building Process

Book building in the context of the Offer refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid Cum Application Forms (and the Revision Forms), if any, within the Price Band and the minimum Bid Lot which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the Book Running Lead Managers, and advertised in all editions of [●], a widely circulated English national daily newspaper, in all editions of [●], a widely circulated Hindi national daily newspaper, a widely circulated Kannada national daily newspaper [●] (Kannada being the regional language of Karnataka, where our Registered Office is located) at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders, and the Investor Selling Shareholder in consultation with the Book Running Lead Managers, after the Bid/ Offer Closing Date. For further details, see "*Offer Procedure*" on page 380.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date Except for Allocation

to RIBs, Non-Institutional Bidders and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis and allocation to the Non-Institutional Investors will be in a manner as may be introduced under applicable laws.

Each Bidder will be deemed to have acknowledged the above restrictions and the terms of the Offer, by submitting their Bid in the Offer.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

The Bidders should note that the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment as per the prescribed timelines in compliance with the SEBI ICDR Regulations.

For further details, see "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 371, 377 and 380, respectively.

For details in relation to filing of this Draft Red Herring Prospectus, see "*-Filing of this Draft Red Herring Prospectus*" on page 67.

Underwriting Agreement

Our Company and each of the Selling Shareholder intends to, prior to the filing of the Prospectus with the RoC, enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be as per the Underwriting Agreement. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price, pursuant to the Underwriting Agreement:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. This portion has been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representation made to our Company by the Underwriters), the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ Capital Raising Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed in accordance with applicable laws, after the determination of the Offer Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

Details of the share capital of our Company, as at the date of this Draft Red Herring Prospectus, are as set forth below:

(in ₹, except share data)

	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**(1)		
	Equity shares comprising:		
	75,000,000 Equity Shares	150,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	51,597,168 Equity Shares	103,194,336	-
D	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares each aggregating up to ₹ [●] million (2)(3)	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,000 million(2)(3)	[●]	[●]
	Offer for Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million (4)	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (as on date of this Draft Red Herring Prospectus)		1,133,244,547
	After the Offer		[●]

* *To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association in the last 10 years" on pages 205 and 206.*

(2) *Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 400.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.*

(3) *Our Board has approved the Fresh Issue pursuant to the resolution passed at its meeting held on August 31, 2023 and our Shareholders have approved the Fresh Issue pursuant to a special resolution passed at their meeting dated August 31, 2023. Further, our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 4, 2023.*

(4) *The Selling Shareholders have severally and not jointly confirmed and approved their respective participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 61 and 357 respectively.*

Notes to the Capital Structure

1. Share capital history of our Company

(a) **Equity share capital**

The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholders	Cumulative number of equity shares	Cumulative paid-up equity share capital
October 11, 2007	Initial subscription to MoA	-[(1)]	1,023,000	10	10	Allotment of 510,000 equity shares each to Sunil Suresh and Shubha Sunil and 600 equity shares each to T. Maruthi Rao, Nagesh Manay, Chandra Kanth B., Suresh S. and Girish K.C.	1,023,000	10,230,000
March 8, 2010	Further issue	Cash	3,970,000	10	10	Allotment of 1,985,000 equity shares each to Sunil Suresh and Shubha Sunil	4,993,000	49,930,000
August 2, 2011	Further issue	Cash	360,000	10	195	Allotment of 360,000 equity shares to Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited)	5,353,000	53,530,000
March 29, 2012	Further issue	Consideration other than cash	227,813	10	-	Allotment of 227,813 equity shares to Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited)	5,580,813	55,808,130
March 31, 2013	Further issue	Cash	177,436	10	195	Allotment of 88,718 equity shares each to Sridevi Venkata Vuppalapati and Kiran Bhanu Vuppalapati	5,758,249	57,582,490
February 3, 2018	Rights issue	Cash	48,000	10	250	Allotment of 48,000 equity shares to Hanuman Kumar Sharma	5,806,249	58,062,490
March 6, 2018	Rights issue	Cash	10,164	10	250	Allotment of 10,164 equity shares to Hanuman Kumar Sharma	5,816,413	58,164,130
March 31, 2018	Allotment of equity shares pursuant to exercise of units under 'Restricted Stock Unit Plan, 2016'[(2)]	Cash	232,820	10	10	Allotment of 232,820 equity shares to Kiran Bhanu Vuppalapati	6,049,233	60,492,330
	Preferential allotment	Consideration other than cash	89,687	10	-	Allotment of 89,687 equity shares to Hanuman Kumar Sharma	6,138,920	61,389,200
August 31, 2018	Private placement	Cash	1,232,104	10	811.62	Allotment of 1,232,104 equity shares to Oman India Joint Investment Fund II	7,371,024	73,710,240
June 19, 2023	Pursuant to the resolution passed by the Shareholders at their meeting held on June 19, 2023, our Company sub-divided each equity share of face value of ₹10 into five Equity Shares of ₹2 each. Accordingly, the cumulative number of issued, subscribed and paid -up Equity Shares pursuant to sub-division was 36,855,120 Equity Shares and the cumulative paid up equity share capital was ₹73,710,240							
June 23, 2023	Bonus issue in the ratio of 2 Equity Shares for every 5 Equity Shares held	-	14,742,048	2	Not Applicable	Allotment pursuant to bonus issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held by eligible shareholders of our Company holding Equity Shares[(3)]	51,597,168	103,194,336

[(1)] Initial subscription to MoA, pursuant to conversion of partnership firm 'Stanley Seating' into our Company under Part IX of Companies Act, 1956. Cash was paid at the time of forming of the partnership firm 'Stanley Seating'.

[(2)] 'Restricted Stock Unit Plan', 2016 was terminated pursuant to the resolution passed by our Board on March 28, 2018 and pursuant to the resolution passed by our Shareholders on March 31, 2018.

[(3)]Allotment of 4,964,442 Equity Shares to Sunil Suresh, 4,964,438 Equity Shares to Shubha Sunil, 1,200 Equity Shares to Ravi M M, 1,200 Equity Shares to Mir Jowher Husain, 1,200 Equity Shares to Rakesh V Gurikar, 1,200 Equity Shares to Suresh Shamsundar, 1,200 Equity Shares to Rohit K, 142,864 Equity Shares to Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited), 90,602 Equity Shares to Sridevi Venkata Vuppalapati, 556,242 Equity Shares to Kiran Bhanu Vuppalapati, 3,960,324 Equity Shares to Oman India Joint Investment Fund II, 12,570 Equity Shares to Manjunath Devaraj Diwakar, 6,856 Equity Shares to Dundiga Subbegowda Rupa, 11,428 Equity Shares to Subramanya Diwakar Rao, 14,854 Equity Shares to R V Raghavan and 11,428 Equity Shares to Hadihalli Byregowda Sudarshan.

(b) **Preference share capital**

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. Shares issued under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013 Offer of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

3. Equity Shares issued for consideration other than cash, bonus issues or out of revaluation reserves

(i) As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares out of revaluation reserves since its incorporation

(ii) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue as on the date of this Draft Red Herring Prospectus:

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
March 29, 2012	227,813	10	-	Allotment of 227,813 equity shares to Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited)	Advisory services in relation to business matters.
March 31, 2018	89,687	10	-	Allotment of 89,687 equity shares to Hanuman Kumar Sharma	Joining bonus towards employment with our Company
June 23, 2023	14,742,048	2	Not Applicable	Allotment pursuant to bonus issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held by eligible shareholders of our Company holding Equity Shares.	Not Applicable

4. Equity Shares issued at a price lower than the Offer Price in the preceding one year

Except as disclosed in "- *Notes to Capital Structure – Share capital history of our Company*" above, our Company has not issued Equity Shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus.

5. Shareholding Pattern of our Company

The table below presents the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								Number of Voting Rights: Class: Equity Shares	Number of Voting Rights: Total	Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b) on a fully diluted basis	
(A)	Promoters and Promoter Group	3	34,755,280	-	-	34,755,280	67.35	-	34,755,280	67.35	-	-	-	-	2,069,928 *	4.01	34,755,280
(B)	Public	13	16,841,888	-	-	16,841,888	32.65	-	16,841,888	32.65	-	-	-	-	-	-	16,841,888
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**16**	**51,597,168**	**-**	**-**	**51,597,168**	**100**	**-**	**51,597,168**	**100**	**-**	**-**	**-**	**-**	**2,069,928 ***	**4.01**	**51,597,168**

**2,069,928 Equity Shares, representing 4% of the issued, subscribed and paid-up Equity Share capital of the Company were deposited in escrow account by our Promoter, Sunil Suresh which will be released from the escrow account prior to filing of the UDRHP, pursuant to the Escrow Agreement. For details, see "History and Certain Corporate Matters- Shareholders Agreements and other Agreements" beginning on page 212.*

6. **Details of equity shareholding of the major shareholders of our Company:**

a) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as on the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital* (%)
1.	Sunil Suresh	17,375,547#	33.68
2.	Shubha Sunil	17,375,533	33.68
3.	Oman India Joint Investment Fund II	13,861,134	26.86
4.	Kiran Bhanu Vuppalapati	1,946,847	3.77
5.	**Total**	**50,559,061**	**97.99**

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

#Includes 2,069,928 Equity Shares, representing 4% of the issued, subscribed and paid-up Equity Share capital of the Company which are deposited in escrow account. For details, see "-Details of Promoter's Contribution and Lock-in" and "History and Certain Corporate Matters- Shareholders' agreements and other agreements" on pages 81 and 212, respectively.

b) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share Capital* (%)
1.	Sunil Suresh	17,375,547#	33.68
2.	Shubha Sunil	17,375,533	33.68
3.	Oman India Joint Investment Fund II	13,861,134	26.86
4.	Kiran Bhanu Vuppalapati	1,946,847	3.77
5.	**Total**	**50,559,061**	**97.99**

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

#Includes 2,069,928 Shares, representing 4% of the issued, subscribed and paid-up Equity Share capital of the Company which are deposited in escrow account. For details, see "-Details of Promoter's Contribution and Lock-in" and "History and Certain Corporate Matters- Shareholders' agreements and other agreements" on pages 81 and 212, respectively.

c) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of one year prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares^	Percentage of the pre-Offer equity share capital* (%)
1.	Sunil Suresh	2,482,221#	33.68
2.	Shubha Sunil	2,482,219	33.68
3.	Oman India Joint Investment Fund II	1,980,162	26.86
4.	Kiran Bhanu Vuppalapati	278,121	3.77
5.	Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited)	100,000	1.36
6.	**Total**	**7,322,723**	**99.34**

^Equity shares of face value ₹10 each

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

 # Includes 295,704 equity shares of face value ₹10 each, representing 4% of the issued, subscribed and paid-up equity share capital of the Company which are deposited in escrow account. For details, see "-Details of Promoter's Contribution and Lock-in" and "History and Certain Corporate Matters- Shareholders' agreements and other agreements" on pages 81 and 212, respectively.

d) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of equity shares^	Percentage of the pre-Offer equity share capital* (%)
1.	Sunil Suresh	2,482,221#	33.68
2.	Shubha Sunil	2,482,219	33.68
3.	Oman India Joint Investment Fund II	1,980,162	26.86
4.	Kiran Bhanu Vuppalapati	278,121	3.77
5.	Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited)	100,000	1.36
6.	**Total**	**7,322,723**	**99.34**

^Equity shares of face value ₹10 each

**There are no vested stock options as on the date of filing this Draft Red Herring Prospectus.*

 # Includes 295,704 equity shares of face value ₹10 each, representing 4% of the issued, subscribed and paid-up equity share capital of the Company which are deposited in escrow account. For details, see "-Details of Promoter's Contribution and Lock-in" and "History and Certain Corporate Matters- Shareholders' agreements and other agreements" on pages 81 and 212, respectively.

7. History of the equity share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters, i.e., Sunil Suresh and Shubha Sunil in aggregate hold 34,751,080 Equity Shares, representing 67.35% of the issued, subscribed and paid-up equity share capital of our Company, calculated on a fully diluted basis. The details regarding our Promoters' shareholding are set forth below.

(a) Build-up of the Equity shareholding of our Promoters in our Company

The details regarding the build-up of the Equity shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital^ (%)	Percentage of the post-Offer capital (%)^
Sunil Suresh							
October 11, 2007	510,000	Allotment of 510,000 equity shares pursuant to initial subscription to the MoA.	-*	10	10	4.94	[●]
March 8, 2010	1,985,000	Allotment of 1,985,000 equity shares to Sunil Suresh	Cash	10	10	19.24	[●]
August 22, 2016	67,308	Transfer of 67,308 equity shares from Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited) to Sunil Suresh	Cash	10	260	0.65	[●]
August 31, 2018	(154,013)	Transfer of 154,013 equity shares from Sunil Suresh to Oman India Joint Investment Fund II	Cash	10	811.62	(1.49)	[●]
April 4, 2019	73,926	Transfer of 73,926 equity shares from Hanuman Kumar Sharma to Sunil Suresh	Cash	10	164.35	0.72	[●]
June 19,2023	Pursuant to the resolution passed by the Shareholders at their meeting held on June 19, 2023, our Company sub-divided each equity share of face value of ₹10 into five Equity Shares of ₹2 each. Therefore, 2,482,221 equity shares of face value ₹10 each held by Sunil Suresh were sub divided to 12,411,105 Equity Shares.						
June 23, 2023	4,964,442	Bonus issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held	NA	2	NA	9.62	[●]
Sub Total (A)	**17,375,547**					**33.68**	**[●]**
Subha Sunil							

Date of allotment/ transfer	No. of equity shares	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Issue Price/ Transfer price per equity share (₹)	Percentage of the pre-Offer Equity share capital^ (%)	Percentage of the post-Offer capital (%)^
October 11, 2007	510,000	Allotment of 510,000 equity shares to Shubha Sunil pursuant to initial subscription of MoA.	-*	10	10	4.94	[●]
March 8, 2010	1,985,000	Allotment of 1,985,000 equity shares to Shubha Sunil	Cash	10	10	19.24	[●]
August 22, 2016	67,307	Transfer of 67,307 equity shares from Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited) to Shubha Sunil	Cash	10	260	0.65	[●]
August 31, 2018	(154,013)	Transfer of 154,013 equity shares from Shubha Sunil to Oman India Joint Investment Fund II	Cash	10	811.62	(1.49)	[●]
April 4, 2019	73,925	Transfer of 73,925 equity shares from Hanuman Kumar Sharma to Shubha Sunil	Cash	10	164.35	0.72	[●]
June 19, 2023	Pursuant to the resolution passed by the Shareholders at their meeting held on June 19, 2023, our Company sub-divided each equity share of face value of ₹10 into five Equity Shares of ₹2 each. Therefore, 2,482,219 equity shares of face value ₹10 each held by Shubha Sunil were sub divided to 12,411,095 Equity Shares.						
June 23,2023	4,964,438	Bonus issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares held	NA	2	NA	9.62	[●]
Sub Total (B)	**17,375,533**					**33.68**	[●]
Total (A+B)	**34,751,080**					**67.35**	**[●]**

^ Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.

**Initial subscription to MoA, pursuant to conversion of partnership firm 'Stanley Seating' into our Company under Part IX of Companies Act, 1956. Cash was paid at the time of forming of the partnership firm 'Stanley Seating.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

None of the members of the Promoter Group, Promoters and our Directors of our Company nor any of their respective relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus, except for one of our Independent Directors, Ramanujam Venkat Raghavan who has purchased 7,427 equity shares of face value of ₹ 10 each on June 16, 2023. He currently holds 51,989 Equity Shares, as on the date of this Draft Red Herring Prospectus pursuant to: (i) resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, by way of which each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each; and (ii) allotment of 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Share on June 23, 2023.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

(b) Shareholding of our Promoters and Promoter Group

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
1.	Sunil Suresh	17,375,547	33.68	[●]	[●]
2.	Shubha Sunil	17,375,533	33.68	[●]	[●]
3.	Suresh S	4,200	Negligible*	[●]	[●]
Total		**34,755,280**	**67.36**	[●]	[●]

**Less than 0.01%*

8. Details of Promoters' Contribution and Lock-in

a) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoters, shall be locked in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of one year from the date of Allotment.

b) Pursuant to the Shareholders' Agreement, our Company has entered into an Escrow Agreement dated August 16, 2018, basis which, our Promoter shall deposit such number of equity shares held by him, which shall at all times represent 4% of the issued, subscribed and paid-up share capital of our Company on fully diluted basis ("**Escrow Shares**") and shall deemed to include any and all bonus shares, shares issued pursuant to a rights issue or a stock split in respect to these Escrow Shares, in the escrow account opened in joint names of our Promoters, Sunil Suresh and Axis Trustee Services Limited ("**Escrow Agent**"). Further, pursuant to the letter agreement dated September 4, 2023 entered into between our Company, one of our Promoters, Sunil Suresh, Oman India Joint Investment Fund II and the Escrow Agent, (i) the Escrow Agreement shall be terminated with effect from the date of filing of the updated draft red herring prospectus by our Company with SEBI in connection with the Offer ("**UDRHP**"), and (ii) immediately prior to filing of the UDRHP, the escrow documents shall be returned by the Escrow Agent to our Promoters, Sunil Suresh and the Escrow Shares (i.e. 2,069,928 Equity Shares held by our Promoter, Sunil Suresh which currently represent 4% of the issued, subscribed and paid-up share capital of our Company on a fully diluted basis) shall be transferred to the account of the our Promoter, Sunil Suresh as notified by the Promoter to the Escrow Agent and Investor in writing. For details, see "*History and Certain Corporate Matters-Shareholders Agreements and other Agreements*" on page 212.

c) The details of the Equity Shares to be locked-in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of the Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up equity share capital	Percentage of post-Offer paid-up Equity Share capital	Date up to which the Equity Shares are subject to lock in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated in the Prospectus

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

d) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the Equity Share capital held by our Promoters, see "- *History of the equity share capital held by our Promoters*" on page 79.

In this connection, we confirm that the Equity Shares considered as Promoters' Contribution:

(i) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash and any revaluation of assets or capitalisation of intangible assets was not involved in such transactions;

(ii) did not result from a bonus issue of equity shares of our Company during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of our Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoters' Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the equity shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

Our Company was originally formed as a partnership firm under the Partnership Act in the name of "Stanley Seating" pursuant to a deed of partnership dated February 1, 2007. Stanley Seating was thereafter converted from a partnership firm to a public limited company under Part IX of the Companies Act, 1956 with the name of "Stanley Lifestyles Limited" Further, no equity shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

9. Details of Equity Shares locked-in for six months:

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters locked in for three years and the remaining post-Offer shareholding held by our Promoters in our Company which is locked in for one year, in terms of Regulations 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except for (i) any Equity Shares held by the employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees) of our Company which have been or will be allotted to them under the ESOP 2022; (ii) the Equity Shares held by Shareholders who are VCFs, Category I AIFs, Category II AIFs or FVCIs, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by such VCFs or Category I AIFs or Category II AIFs or FVCI Shareholders respectively, and (iii) Offered Shares, which are successfully transferred as part of the Offer for Sale. Accordingly, all Equity Shares held by Oman India Joint Investment Fund II, a Category II AIF registered with SEBI, shall be exempt from lock-in requirements to the extent such Equity Shares are not transferred or offered pursuant to the Offer for Sale. Any unsubscribed portion of the Offered Shares, except for the unsubscribed portion of Offered Shares offered by Oman India Joint Investment Fund II, would also be locked-in as required under the SEBI ICDR Regulations.

10. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

11. **Other requirements**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of three years from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to the other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

12. Except for the allotment of Equity Shares upon exercise of options vested pursuant to the ESOP 2022 and the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

13. Except for any issue of Equity Shares pursuant to Fresh Issue, allotment of Equity Shares pursuant to the Pre-IPO Placement, exercise of options vested under the ESOP Scheme, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

14. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 16.

15. As on the date of this Draft Red Herring Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.

16. Our Company, any of our Directors and the Book Running Lead Managers have not entered into any buy back arrangements for purchase of Equity Shares from any person.

17. The Equity Shares issued and transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

18. Except for the Offer for Sale by the Promoter Selling Shareholders, the members of the Promoter Group shall not participate in the Offer nor receive any proceeds from the Offer.

19. No person connected with the Offer shall offer or make payment of any incentive, whether direct or

indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

20. As on the date of this Draft Red Herring Prospectus, SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Except as stated above, none of the Book Running Lead Managers or their respective associates (as defined in the SEBI Merchant Bankers Regulations) hold any Equity Shares of our Company. Accordingly, in compliance with Regulation 21A of the SEBI Merchant Banker Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited will be involved only in marketing of the Offer. The Book Running Lead Managers and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

21. Except as disclosed in this section, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

22. Our Company shall ensure that all transactions in the Equity Shares of our Company by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.

23. Employee Stock Options Scheme of our Company

ESOP 2022

Our Company, pursuant to the resolutions passed by our Board on September 6, 2022 and our Shareholders' on September 30, 2022 adopted the "Stanley Lifestyles Limited Employee Stock Option Plan-2022" ("**ESOP 2022**"). The ESOP 2022 was last amended pursuant to the resolutions passed by our Board on August 31, 2023 and our Shareholders' on August 31,2023. The purpose ESOP 2022 is (i) to enable the employees of our Company, its Subsidiaries and its associates, to get a share in the value that they help to create for our Company over a period of time; (ii) to attract and retain talented people, who add to the strength of our Company; and (iii) to reward employees for good performance in the past and to motivate similar performance in the future. The ESOP 2022 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOP 2022, an aggregate of 292,005 options have been granted, of which 270,221 options are outstanding and no options have been vested or exercised.

Particulars	Details	
	Fiscal 2023	From April 1, 2023 till the date of this Draft Red Herring Prospectus
Options granted	292,005 (Bucket A: 258,384 Bucket B: 33,621)	Nil
Options vested (excluding options that have been exercised)	N.A.	N.A
Options exercised	N.A.	N.A
Exercise price of options*	Bucket A: ₹.121.43 Bucket B:₹ 2	N.A.
Options forfeited/lapsed/cancelled	3,416 (Bucket A: 1,750 Bucket B: 1,666)	18,368 (Bucket A: 18,368)
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of	288,589 (Bucket A: 256,634 Bucket B: 31,955)	270,221 (Bucket A: 238,266 Bucket B: 31,955)

<table>
<tr><td>cancelled options)</td><td></td><td></td></tr>
<tr><td>Variation of terms of options</td><td>None</td><td>No variation other than adjustment done on account of share split and bonus issue to the number of options and exercise price.

Exercise price of options granted under Bucket B has been reduced only to ₹ 2.00 being the face value of Equity Shares.</td></tr>
<tr><td>Money realized by exercise of options during the year/period</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>Total number of options in force</td><td>2,88,589
(Bucket A: 2,56,634
Bucket B: 31,955)</td><td>270,221
(Bucket A: 238,266
Bucket B: 31,955)</td></tr>
<tr><td>Employee wise details of options granted to:</td><td colspan="2"></td></tr>
<tr><td>Key managerial personnel (KMPs):</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Senior Management (SMPs)</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Sijo Martin Joy</td><td>24,017</td></tr><tr><td>Sharath Kumar Shetty</td><td>23,793</td></tr></table></td><td>Nil</td></tr>
<tr><td>Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td><table><tr><th>Name of employee</th><th>Total no. of options granted</th></tr><tr><td>Yusuf Abdhullah Merchant</td><td>24,080</td></tr><tr><td>Rohit K.</td><td>19,299</td></tr><tr><td>Nallam Reddy Sanjay Kumar</td><td>15,190</td></tr></table></td><td>N.A.</td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="2">Nil</td></tr>
<tr><td>Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard ‘Earning Per Share’</td><td colspan="2">N.A</td></tr>
<tr><td>Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals</td><td colspan="2">N.A</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-</td><td colspan="2">Options have been valued based on fair value method using Black Scholes valuation option pricing model by using the fair value of the Company's shares on the grant date and assumptions. Weighted average assumptions across grants are: Risk free rate (7.32%), expected life (7 years), expected volatility (16.06%), expected dividends</td></tr>
</table>

average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	(0.00%), price of the underlying shares (₹ 2,000)
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years	N.A
Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	N.A.
Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No intention to sell within three months after the listing of Equity Shares

**Adjustment done on account of share split and bonus issue. Original Exercise price per ESOP for Bucket A ESOPs was ₹ 850 and ₹ 10 for Bucket B ESOPs*

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of upto [●] Equity Shares aggregating up to ₹ 2,000.00 million by our Company and the Offer for Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. For details, see "*The Offer*" beginning on page 61.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their respective proportion of Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

The Fresh Issue

Requirement of funds

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Expenditure for opening new stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" ("**New Stores**");

2. Expenditure for opening anchor stores ("**Anchor Stores**");

3. Expenditure for renovation of existing stores under the formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" ("**Existing Stores**");

4. Funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and our Material Subsidiary, SOSL; and

5. General corporate purposes

(collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including to enhance our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

(₹ in million)

Particulars	Estimated amount
Gross Proceeds of the Fresh Issue[(1)]	2,000.00
(Less) Offer related expenses in relation to the Fresh Issue[(2)(3)]	[●]
Net Proceeds[(2)]	**[●]**

(1) Our Company, in consultation with the Book Running Lead Managers, may consider a Pre-IPO Placement by our Company for an aggregate amount not exceeding ₹ 400.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the Book Running Lead Managers and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

(2) To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

(3) For details see "– Offer expenses" on page 109.

Utilisation, proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be utilised and deployed in accordance with the estimated schedule of implementation and deployment of Net Proceeds as specified below:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds[(1)]	Estimated deployment of the Net Proceeds in Fiscal 2024	Estimated deployment of the Net Proceeds in Fiscal 2025	Estimated deployment of the Net Proceeds in Fiscal 2026	Estimated deployment of the Net Proceeds in Fiscal 2027
Expenditure for opening the New Stores	901.27	-	428.59	177.43	295.25
Expenditure for opening the Anchor Stores	399.90	-	-	251.40	148.50
Expenditure for renovation of the Existing Stores	100.40	-	30.92	25.21	44.27
Funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and our Material Subsidiary, SOSL	81.85	-	81.85	-	-
General corporate purposes[(1)]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, current and valid quotations from vendors, market conditions and other external commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial condition, business and strategy, competition, variation in cost estimates and other external factors such as changes in the business environment, market conditions, regulatory frameworks and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Please see "*Risk Factors- Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank financial institution, or any other independent agency, and we have not entered into definitive agreements in relation to the objects of our Offer, which may affect our business and results of operations. Further, the schedule of the implementation of the Objects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns*" on page 35.

Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes (to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations) or any other Object.

Means of finance

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company shall utilise its internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals, as prescribed under Regulation 7(1)(e) of the SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations.

Details of the Objects of the Offer

I. Expenditure for opening New Stores under the Formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*"

We intend to establish 24 New Stores between Fiscals 2025 to 2027, in the states and union territories of Delhi, Tamil Nadu, Telangana and Maharashtra through five of our Subsidiaries, i.e. ASPL, Sana Lifestyles, SRL, SDPL and SSPL. We propose to utilise an estimated amount of ₹ 901.27 million from the Net Proceeds towards establishment of such New Stores. The establishment of the New Stores is proposed to be undertaken entirely from the Net Proceeds of the Fresh Issue.

The New Stores are proposed to be established under three formats: (i) Stanley Level Next; (ii) Stanley Boutique; and (iii) Sofas & More by Stanley ("**Formats**"). "Stanley Level Next" stores offer luxury products, "Stanley Boutique" stores offer premium products, and "Sofas & More by Stanley" stores offer products which fall in the mid-high category, thereby catering to customers at all price points. Our New Stores will be set up and operated by one or more of our Subsidiaries depending on the region in which the New Stores will be set up in. For further details, see "*Our Business*" on page 171.

The number of stores established under each of the Formats in the last three Fiscals are as follows:

Format	**Number of stores established in**		
	Fiscal 2021	**Fiscal 2022**	**Fiscal 2023**
Stanley Level Next	-	2	1
Stanley Boutique	-	1	3
Sofas & More by Stanley	5	12	9
Total	**5**	**15**	**13**

For further details, see "*Risk Factors - If we are unable to effectively manage or expand our retail network and operations or pursue our growth strategy, our new stores as well as our existing stores may not achieve our expected level of profitability which may adversely affect our business prospects, financial condition and results of operations*" on page 32.

The number of stores we propose to open under each Format are as follows:

Format	**Total number of stores to be opened**	**Number of stores to be opened in Fiscal 2024**	**Number of stores to be opened in Fiscal 2025**	**Number of stores to be opened in Fiscal 2026**	**Number of stores to be opened in Fiscal 2027**
Stanley Level Next	2	-	1	-	1
Stanley Boutique	9	-	4	2	3
Sofas & More by Stanley	13	-	7	3	3
Total	**24**	**-**	**12**	**5**	**7**

The table below sets forth the total estimated costs per store under each of the Formats:

(₹ in million, except for the number of stores)

Format	**Proposed number of stores (A)**	**Average fit-out costs per store[(1)] (B)**	**Average Inventory costs per store[(1)] (C)**	**Average Security deposit costs per store (D)**	**Total costs (A) * {(B) + (C) + (D)}**
Stanley Level Next	2	30.09	31.73	16.75	157.14
Stanley Boutique	9	17.12	20.24	7.39	402.75
Sofas & More by Stanley	13	10.83	10.12	5.31	341.38

(1) Including applicable GST

The details of the total estimated costs to be incurred for establishing the New Stores are as follows:

(₹ in million)

Particulars	Total costs
Fit-out costs	355.05
Inventory costs	377.18
Security deposit costs	169.04
Total	**901.27**

Set out below is a brief description of the total estimated cost to be incurred for establishing a New Store:

Costs	Particulars
Fit-out costs	Fit-out costs primarily include one or more of interior work such as flooring, partition, electrical and painting, installation of fire extinguisher system, kitchen and cabinetry work, heating ventilation and air conditioning ("**HVAC**") and installation charges thereof, installation of closed circuit television ("**CCTV**") cameras, installation of lights such as track lights and spotlights, aluminium composite ("**ACP**"), facades, façade signages and entrance glass and internal branding work Depending on the format of the New Store some or all the above may be applicable
Inventory costs	Inventory costs include store inventory consisting of, inter alia, sofa, mattress, dining table, bed, recliner, chairs, cabinets, footwear, bags etc., required for commencing sales from the New Stores.
Security deposit costs	We propose to establish the New Stores on leased premises, for which we will be required to pay a security deposit to the landlord, as part of the rental and lease arrangement for each store premises

Methodology for computation

The size of our stores varies across regions and is dependent on various factors such as availability of suitable locations, addressable market, lease rentals and competition within a given region or across regions.

While we have identified the broad regions where the New Stores will be opened, we have not identified the exact locations for opening the New Stores, as the same depends on various factors, including *inter alia*, residential development in a specific locality, rental prices for the proposed New Stores in a specific locality, target audience. We have currently not identified the exact location where each of the New Stores is proposed to be opened. Our estimated costs for opening of the New Stores are therefore based on (i) valid and existing quotations dated September 2, 2023 received from the below mentioned vendors on a per square feet basis, for the purposes of fit-out costs, (ii) average of the costs incurred by us historically towards store inventory at the time of setting up new stores under each of the Formats in Fiscal 2021, Fiscal 2022 and Fiscal 2023 (including taxes), for the purposes of inventory costs; and (iii) security deposit costs is set out below:

A detailed breakdown of these estimated costs, and the methodology for computation, is as follows:

Fit-out costs

The estimated average size of stores, under the various Formats is as follows:

Format	Average estimated size per store (in sq. ft.)
Stanley Level Next	10,000
Stanley Boutique	7,000
Sofas & More by Stanley	5,000

A detailed break-down of the estimated capital expenditure for the components involved in the fit-out costs store format wise is as follows:

<table>
<tr><th rowspan="3">S. No.</th><th rowspan="3">Particulars</th><th rowspan="3">Components include</th><th colspan="2">Stanley Level Next store</th><th colspan="2">Stanley Boutique store</th><th colspan="2">Sofas & More by Stanley store</th><th rowspan="3">Vendor</th></tr>
<tr><th colspan="2">Average estimated fit-out cost</th><th colspan="2">Average estimated fit-out cost</th><th colspan="2">Average estimated fit-out cost</th></tr>
<tr><th>Total cost per store (₹ in million) [(1)]</th><th>(in ₹ per sq. feet) [(1)]</th><th>Total cost per store (₹ in million) [(1)]</th><th>(in ₹ per sq. feet) [(1)]</th><th>Total cost per store (₹ in million) [(1)]</th><th>(in ₹ per sq. feet) [(1)]</th></tr>
<tr><td>1.</td><td>Fire Fighting System</td><td>Fire hydrant system, fire sprinkler system, fire alarm system, first aid fire extinguishers</td><td>1.51</td><td>150.80</td><td>0.28</td><td>41.37</td><td>0.17</td><td>33.94</td><td>Stanley Level Next store- Securtrac, pursuant to their quotation dated September 2, 2023.

Stanley Boutique store- Securtrac pursuant to their quotation dated September 2, 2023.

Sofas & More by Stanley store- Securtrac pursuant to their quotation dated September 2, 2023.</td></tr>
<tr><td>2.</td><td>Interior Work</td><td>Flooring work, painting work, glass railing</td><td>16.53</td><td>1,653.03</td><td>7.75</td><td>1,107.05</td><td>5.07</td><td>1,014.80</td><td>Stanley Level Next store- Work Matrix Interiors and Dev Projects, pursuant to their quotations dated September 2, 2023.

Stanley Boutique store- Work Matrix Interiors and Dev Projects, pursuant to their quotations dated September 2, 2023.

Sofas & More by Stanley store- Work</td></tr>
</table>

S. No.	Particulars	Components include	Stanley Level Next store		Stanley Boutique store		Sofas & More by Stanley store		Vendor
			Average estimated fit-out cost		Average estimated fit-out cost		Average estimated fit-out cost		
			Total cost per store *(₹ in million)* [(1)]	***(in ₹ per sq. feet)*** [(1)]	**Total cost per store *(₹ in million)*** [(1)]	***(in ₹ per sq. feet)*** [(1)]	**Total cost per store *(₹ in million)*** [(1)]	***(in ₹ per sq. feet)*** [(1)]	
									Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023.
3.	HVAC	Cassette/split air-conditioner, inverter	4.60	459.97	2.62	374.76	0.84	167.80	**Stanley Level Next store**- Complete Solutions Air Cooling Systems and Coolvista Aircon Systems pursuant to their quotations dated September 2, 2023. **Stanley Boutique store**- Complete Solutions Air Cooling Systems and Incliff Cooling Solutions pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store**- Complete Solutions Air Cooling Systems and Incliff Cooling Solutions pursuant to their quotations dated September 2, 2023.
4.	CCTV	Port network, connector box, UPS inverter	0.65	64.51	0.29	41.38	0.18	36.00	**Stanley Level Next store**- Datronics and Securtrac pursuant to their quotations dated September 2, 2023. **Stanley Boutique store**-

S. No.	Particulars	Components include	Stanley Level Next store		Stanley Boutique store		Sofas & More by Stanley store		Vendor
			Average estimated fit-out cost		**Average estimated fit-out cost**		**Average estimated fit-out cost**		
			Total cost per store *(₹ in million)* [(1)]	***(in ₹ per sq. feet)* [(1)]**	**Total cost per store *(₹ in million)* [(1)]**	***(in ₹ per sq. feet)* [(1)]**	**Total cost per store *(₹ in million)* [(1)]**	***(in ₹ per sq. feet)* [(1)]**	
									Work Matrix Interiors and Securtrac, pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store-** Datronics and Securtrac pursuant to their quotations dated September 2, 2023.
5.	Light Fixtures	Track lights, straight jointer	1.08	107.84	0.72	102.49	0.75	150.90	**Stanley Level Next store-** Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited, pursuant to their quotations dated September 2, 2023. **Stanley Boutique store-** Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited pursuant to their quotation dated September 2, 2023 **Sofas & More by Stanley store-** Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited pursuant to their quotations dated September 2, 2023.

S. No.	Particulars	Components include	Stanley Level Next store		Stanley Boutique store		Sofas & More by Stanley store		Vendor
			Average estimated fit-out cost		**Average estimated fit-out cost**		**Average estimated fit-out cost**		
			Total cost per store *(₹ in million)* [(1)]	***(in ₹ per sq. feet)* [(1)]**	**Total cost per store *(₹ in million)* [(1)]**	***(in ₹ per sq. feet)* [(1)]**	**Total cost per store *(₹ in million)* [(1)]**	***(in ₹ per sq. feet)* [(1)]**	
6.	ACP Façade	Aluminium framework, Acosheets	0.31	30.90	3.89	555.44	2.40	480.85	**Stanley Level Next store-** Dev Projects pursuant to their quotation September 2, 2023. **Stanley Boutique store-** Work Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store-** Work Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023.
7.	Façade Signages	Letters in rose gold matt, installation	0.71	71.15	0.66	94.31	0.93	185.00	**Stanley Level Next store-** Real Value Signs Private Limited and Ideal Signs pursuant to their quotations dated September 2, 2023. **Stanley Boutique store-** Lightsquare Designs Pvt Ltd and Real Value Signs Private Limited pursuant to their quotations dated September 2, 2023 **Sofas & More by**

S. No.	Particulars	Components include	Stanley Level Next store		Stanley Boutique store		Sofas & More by Stanley store		Vendor
			Average estimated fit-out cost		Average estimated fit-out cost		Average estimated fit-out cost		
			Total cost per store *(₹ in million)* (1)	***(in ₹ per sq. feet)*** (1)	**Total cost per store *(₹ in million)*** (1)	***(in ₹ per sq. feet)*** (1)	**Total cost per store *(₹ in million)*** (1)	***(in ₹ per sq. feet)*** (1)	
									Stanley store- Real Value Signs Private Limited and Ideal Signs pursuant to their quotations dated September 2, 2023
8.	Façade Glass	Toughened clear glass, ozone patch fittings	0.65	65.37	0.22	31.19	0.22	44.84	**Stanley Level Next store-** Dev Projects and Work Matrix Interiors, pursuant to their quotation dated September 2, 2023. **Stanley Boutique store-** Work Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store-** Work Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023.
9.	Internal Branding Work	UV printed fabric, UV printed aluminium profile	1.10	110.45	0.69	98.38	0.27	53.10	**Stanley Level Next store-** Perfect Signs & Sales and ANS Digitall, pursuant to their quotations dated September 2, 2023. **Stanley Boutique store-** Real Value Signs Private

S. No.	Particulars	Components include	Stanley Level Next store		Stanley Boutique store		Sofas & More by Stanley store		Vendor
			Average estimated fit-out cost		Average estimated fit-out cost		Average estimated fit-out cost		
			Total cost per store *(₹ in million)* [(1)]	*(in ₹ per sq. feet)* [(1)]	Total cost per store *(₹ in million)* [(1)]	*(in ₹ per sq. feet)* [(1)]	Total cost per store *(₹ in million)* [(1)]	*(in ₹ per sq. feet)* [(1)]	
									Limited and ANS Digitall pursuant to their quotations dated September 2, 2023 **Sofas & More by Stanley store-** Real Value Signs Private Limited and ANS Digitall pursuant to their quotations dated September 2, 2023.
10.	Kitchen & Cabinetry-Appliances & Stones	Refrigerator, Microwave, Freezer	2.95	295.00	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Miele India Pvt Ltd, pursuant to their quotation dated August 7, 2023
	Total		**30.09**	**3,009.02**	**17.12**	**2,446.37**	**10.83**	**2,167.23**	

Notes:

(1) Including applicable GST

All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus. We will choose one amongst the aforementioned vendors for carrying out the fit-out costs depending on the location of the store, time required to undertake the fit-out works, quality of work output and other business exigencies. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates. If there is any increase in the costs of fit-out costs, the additional costs shall be paid by us from our internal accruals.

Inventory costs

Inventory costs include, *inter alia*, costs for procuring stock and product portfolios for sale in our stores, and applicable taxes. Inventory in each of stores consists of, *inter alia*, sofa, mattress, dining table, bed, recliner, chairs, cabinets, kitchen appliances and stones, footwear, bags etc. The inventory will be supplied to our Subsidiaries by our Company for display and sale in each of the New Stores, basis a purchase order raised by the respective Subsidiaries prior to the opening of the New Store. The total average estimated inventory cost per store is based on the average of the cost incurred towards store inventory at the time of setting up new stores under each of the Formats in Fiscal 2021, Fiscal 2022, and Fiscal 2023.

The total estimated inventory costs are as follows:

(₹ in million, to the extent applicable)

Format	Total number of stores to be opened (A)	Total average estimated inventory costs per store (B)	Total average estimated inventory costs (C) = (A) * (B)*
Stanley Level Next	2	31.73	63.46
Stanley Boutique	9	20.24	182.16
Sofas & More by Stanley	13	10.12	131.56

Security Deposit Costs

We typically acquire the premises for our stores on a leasehold basis, pursuant to various lease agreements which are entered into between our Subsidiaries and the landlords of such premises. Such lease agreements typically require us to furnish, depending on the location of the store, an interest free security deposit to the respective lessors.

We propose to acquire the premises for all proposed New Stores on a leasehold basis. The average security deposit payable at regions where New Stores are proposed to be opened, is upto ten months of the respective monthly lease amount. The total average estimated security deposit cost per store is set out below:

The total estimated costs for payment of security deposit are as follows:

(₹ in million, to the extent applicable)

Format	Total number of stores to be opened (A)	Total average estimated security deposit costs per store (B)	Total average security deposit costs (C) = (A) * (B)
Stanley Level Next	2	16.75	33.50
Stanley Boutique	9	7.39	66.51
Sofas & More by Stanley	13	5.31	69.03

If there is any shortfall in the funding of payment of security deposits, the additional costs shall be paid by us from our internal accruals.

Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration of our stores under the shops and establishments legislations of the states where they are located, wherever applicable and trade licenses from respective municipal authorities of areas, where our New Stores will operate. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required for the New Stores, see "*Key Regulations and Policies in India*" and "*Government and Other Approvals*" on pages 200 and 354.

Investment in our Subsidiaries

Our retail operations are conducted by our Subsidiaries, namely SRL, SDPL, ASPL, SSPL and Sana Lifestyles. Our Subsidiaries conduct their business operations based on regions in which our stores are located. Set out below are the regions in which each of our Subsidiaries conduct their retail operations:

Subsidiary	Region of operation
SRL	South (Karnataka)
SDPL	South (Telangana)
ASPL	North (Delhi)
SSPL	West (Maharashtra)
Sana Lifestyles	South (Tamil Nadu)

Considering that the Net Proceeds will be utilised towards establishment of New Stores by our Subsidiaries, our Company shall deploy the Net Proceeds in our Subsidiaries in the form of equity or debt or such other manner as determined by our Company and as permitted under applicable law.

The break-up of deployment of Net Proceeds in SRL, ASPL, Sana Lifestyles, SDPL and SSPL for this Object is as follows:

(₹ in million)

Particulars	Amount to be invested from the Net Proceeds	Estimated investment in Fiscal 2024	Estimated investment in Fiscal 2025	Estimated investment in Fiscal 2026	Estimated investment in Fiscal 2027
SRL	96.28	-	96.28	-	-
ASPL	210.93	-	67.91	-	143.02
Sana Lifestyles	198.75	-	171.54	27.21	-
SDPL	228.68	-	92.86	67.91	67.91
SSPL	166.63	-	-	82.31	84.32
Total	**901.27**	**-**	**428.59**	**177.43**	**295.25**

As aforementioned, there could be a variation in the number of New Stores to be opened in each of the locations and consequently the amount of the Net Proceeds to be invested in each of the aforementioned Subsidiaries will vary accordingly.

II. Expenditure for opening Anchor Stores

We intend to establish three Anchor Stores between Fiscals 2026 to 2027, each with an estimated average size of 30,000 square feet in the states and union territories of Delhi, Telangana, Maharashtra through three of our Subsidiaries, i.e. ASPL, SDPL and SSPL. We propose to utilise an estimated amount of ₹ 399.90 million from the Net Proceeds towards establishment of such Anchor Stores. The establishment of the Anchor Stores is proposed to be undertaken entirely from the Net Proceeds.

The Anchor Store Format is a combination of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" Formats where luxury products are offered at a more affordable price. We intend to establish the first Anchor Store in Bengaluru, Karnataka in Fiscal 2024 and have entered into lease agreement for the same. For further details, see "*Our Business*" on page 171.

The table below sets forth the total estimated costs for opening each Anchor Store:

(₹ in million, except for the number of stores)

Proposed number of stores (A)	Fit-out costs per store[(1)] (B)	Inventory costs per store[(1)] (C)	Security deposit costs per store (D)	Total costs (A) * {(B) + (C) + (D)}
3	61.50	45.00	26.80	399.90

(1) Including applicable GST

The details of the total estimated costs to be incurred for establishing the Anchor Stores are as follows:

(₹ in million)

Particulars	Total costs
Fit-out costs	184.50
Inventory costs	135.00
Security deposit costs	80.40
Total	**399.90**

For a brief description of the total estimated cost to be incurred for establishing Anchor Stores, see "– *Details of the Objects of the Offer- Expenditure for opening New Stores under the Formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley*" on page 88.

Methodology for computation

The size of our stores varies across regions and is dependent on various factors such as availability of suitable locations, addressable market, lease rentals and competition within a given region or across regions.

While we have identified the broad regions where the Anchor Stores will be opened, we have not identified the exact locations for opening the Anchor Stores, as the same depends on various factors, including *inter alia*, residential development in a specific locality, rental prices for the proposed Anchor Stores in a specific locality, target audience. We have currently not identified the exact location where each of the Anchor Stores is proposed to be opened. Our estimated costs for opening of the Anchor Stores are therefore based on (i) valid and existing quotations received from below mentioned vendors on a per square feet basis, respectively for the purposes of fit-out costs, (ii) the average of the costs incurred towards store inventory at the time of setting up the last opened store under "Stanley Level Next", "Stanley Boutique", and "Sofas & More by Stanley" Formats; and (iii) security deposit costs.

A detailed break-down of the estimated capital expenditure for the components involved in the fit-out costs store format wise is as follows:

S. No.	Particulars	Components include	Anchor Store		Vendor Name
			Average estimated fit-out cost**		
			Total cost per store *(₹ in million)* (1)	*(in ₹ per sq. feet)* (1)	
1.	Fire Fighting System	Fire hydrant system, fire sprinkler system, fire alarm system, first aid fire extinguishers	5.09	169.68	Securtrac pursuant to their quotation dated September 2, 2023.
2.	Interior Work	Flooring work, painting work, glass railing	26.76	891.95	Verde Box Design and Dev Projects, pursuant to their quotation dated September 2, 2023
3.	HVAC	Cassette/split air-conditioner, inverter	6.84	228.06	Blue Star and Complete Solutions Air Cooling Systems, pursuant to their quotation dated September 2, 2023.
4.	CCTV	Port network, connector box, UPS inverter	1.24	41.24	Dev Projects and Securtrac, pursuant to their quotations dated September 2, 2023.
5.	Light Fixtures	Track lights, straight jointer	4.34	144.76	Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited pursuant to their quotation dated September 2, 2023
6.	ACP Façade	Aluminium framework, Acosheets	3.50	116.67	Dev Projects and Vista Construction, pursuant to their quotations dated September 2, 2023.
7.	Façade Signages	Letters in rose gold matt, installation	4.46	148.63	Ideal Signs and Real Value Signs Private Limited, pursuant to their quotations dated September 2, 2023.

S. No.	Particulars	Components include	Anchor Store		Vendor Name
			Average estimated fit-out cost**		
			Total cost per store *(₹ in million)* (1)	*(in ₹ per sq. feet)* (1)	
8.	Façade Glass	Glass Façade, Glass Canopy, Glass Canopy Roofing Work	4.68	156.16	Vista Construction and Dev Projects pursuant to their quotations dated September 2, 2023.
9.	Internal Branding Work	UV printed fabric, UV printed aluminium profile	1.64	54.52	Perfect Signs & Sales and ANS Digitall pursuant to their quotations dated September 2, 2023.
10.	Kitchen & Cabinetry-Appliances & Stones	Refrigerator, Microwave, Freezer	2.95	98.33	Miele India Pvt Ltd, pursuant to their quotation dated August 7, 2023.
	Total		**61.50**	**2,050.00**	

Notes:

(1) Including applicable GST

All quotations received from the aforementioned vendors are valid as on the date of this Draft Red Herring Prospectus. We will choose one amongst the aforementioned vendors for carrying out the fit-out costs depending on the location of the store, time required to undertake the fit-out works, quality of work output and other business exigencies. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates. If there is any increase in the costs of fit-out costs, the additional costs shall be paid by us from our internal accruals.

Inventory costs

Inventory costs include, *inter alia*, costs for procuring stock and product portfolios for sale in our stores, and applicable taxes. Inventory in each of stores consists of, *inter alia*, sofa, mattress, dining table, bed, recliner, chairs, cabinets, kitchen appliances and stones, footwear, bags etc. The inventory will be supplied to our Subsidiaries by our Company for display and sale in each of the Anchor Stores, basis a purchase order raised by the respective Subsidiaries prior to the opening of the Anchor Stores. The total average estimated inventory cost per store is based on the average of the costs incurred towards store inventory at the time of setting up the last opened store under "Stanley Level Next", "Stanley Boutique", and "Sofas & More by Stanley" Formats.

The total estimated inventory costs for the Anchor Stores are as follows:

(₹ in million, to the extent applicable)

Format	Total number of stores to be opened (A)	Total average estimated inventory costs per store (B)	Total average estimated inventory costs (C) = (A) * (B)*
Anchor Stores	3	45.00	135.00

Security Deposit Costs

We typically acquire the premises for our stores on a leasehold basis, pursuant to various lease agreements which are entered into between our Subsidiaries and the landlords of such premises.

We propose to acquire the premises for all proposed Anchor Stores on a leasehold basis. The total average estimated security deposit cost per store is set out below:

The total estimated costs for payment of security deposit are as follows:

(₹ in million, to the extent applicable)

Format	Total number of stores to be opened (A)	Total average estimated security deposit costs per store (B)	Total average security deposit costs (C) = (A) * (B)
Anchor Stores	3	26.80	80.40

If there is any shortfall in the funding of payment of security deposits, the additional costs shall be paid by us from our internal accruals.

Government Approvals

In relation to this proposed Object, we are required to obtain certain approvals and/or licenses, which are routine in nature, from certain governmental or local authorities, which include registration of our stores under the shops and establishments legislations of the states where they are located, wherever applicable and trade licenses from respective municipal authorities of areas, where our Anchor Stores will operate. We will apply for such approvals, as applicable, in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required for the New Stores, see "*Key Regulations and Policies in India*" and "*Government and Other Approvals*" on pages 200 and 354.

Investment in our Subsidiaries

Considering that the Net Proceeds will be utilised towards establishment of Anchor Stores by our Subsidiaries, our Company shall deploy the Net Proceeds in our Subsidiaries in the form of equity or debt or such other manner as determined by our Company and as permitted under applicable law.

The break-up of deployment of Net Proceeds in ASPL, SDPL and SSPL for this Object is as follows:

(₹ in million)

Particulars	Amount to be invested from the Net Proceeds	Estimated investment in Fiscal 2024	Estimated investment in Fiscal 2025	Estimated investment in Fiscal 2026	Estimated investment in Fiscal 2027
ASPL	125.70	-	-	125.70	-
SDPL	125.70	-	-	125.70	-
SSPL	148.50	-	-	-	148.50
Total	**399.90**	**-**	**-**	**251.40**	**148.50**

III. Expenditure for renovation of Existing Stores under the Formats of "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*"

We intend to utilise an estimated amount of ₹100.40 million from the Net Proceeds to renovate 15 Existing Stores between Fiscals 2025 to 2027, in the states and union territories of Delhi, Tamil Nadu, Telangana, Maharashtra and Karnataka through five of our Subsidiaries, i.e. ASPL, Sana Lifestyles, SDPL, SSPL and SRL, respectively.

The number of stores we propose to renovate and the amounts to be deployed between Fiscals 2025 to Fiscals 2027 under each Format are as follows:

	Fiscal 2025		Fiscal 2026		Fiscal 2027	
Format	Total number of stores to be renovated	Amount to be deployed (in ₹ million)	Total number of stores to be renovated	Amount to be deployed (in ₹ million)	Total number of stores to be renovated	Amount to be deployed (in₹ million)
Stanley Level Next	2	10.15	-	-	-	-
Stanley Boutique	2	6.75	-	-	1	7.25
Sofas & More by Stanley	2	14.02	3	25.21	5	37.02

Format	Fiscal 2025		Fiscal 2026		Fiscal 2027	
	Total number of stores to be renovated	Amount to be deployed (in ₹ million)	Total number of stores to be renovated	Amount to be deployed (in ₹ million)	Total number of stores to be renovated	Amount to be deployed (in₹ million)
	6	**30.92**	**3**	**25.21**	**6**	**44.27**

The renovation of "Stanley Level Next" stores will be undertaken through our Subsidiary, SRL; renovation of "Stanley Boutique" stores will be undertaken through our Subsidiaries, Sana Lifestyles, SSPL, and ASPL; and the renovation of stores under "Sofas & More by Stanley" will be undertaken through our Subsidiaries, SRL and SDPL. The below table sets forth the details of the location of each store to be renovated and the Subsidiary which will undertake the renovation.

Format	Subsidiary	State	Calendar year of opening of the store
Stanley Boutique	Sana Lifestyles	Tamil Nadu	2011
	SSPL	Maharashtra	2019
	ASPL	Delhi	2022
Stanley Level Next	SRL	Karnataka	2018
			2019
Sofas & More by Stanley	SRL	Karnataka	2019
			2019
			2020
			2020
			2020
			2021
			2021
			2021
	SDPL	Telangana	2021
			2021

Under our renovation policy, once a particular format of store has completed five years of operations, we typically renovate such store. The renovation of a store would typically involve (i) change in ACP Façade, (ii) change in signage; and (iii) internal branding work (backlit lights and fabric paints);

Set out below is a brief description of the total estimated cost to be incurred for the components involved in renovating an Existing Store:

Costs	Particulars
Façade Signage	Façade signages are signs or visual components that are exhibited on the outside of a building, often on its facade. These signs serve a variety of functions, such as identification, branding, advertising, and wayfinding.
Light Fixture	Light fixtures in a showroom are crucial in producing an appealing and well-lit environment to promote products or displays. These fixtures are carefully chosen and positioned to improve the showroom's visual impact and overall mood and lux level.
Internal branding work	Internal branding at a showroom entails producing a unified and immersive brand experience by utilizing consistent messaging and visual components to align the showroom's internal environment with the brand's values, culture, and identity.

Methodology for computation

Our estimated costs for renovating the Existing Stores are based on valid and existing quotations received from the below mentioned vendors. We will choose one amongst the aforementioned vendors for carrying out the renovation of our stores depending on the location of the store, time required to undertake the fit-out works, quality of work output. We have not entered into any definitive agreements with any vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same vendors from whom we have received such estimates.

If there is any increase in the costs of renovation, the additional costs shall be paid by us from our internal accruals.

Capital expenditure for renovation

A detailed store wise break-down of the capital expenditure for renovation format wise is as follows:

S. No.	Particulars	Components include	Stanley Level Next store	Stanley Boutique store	Sofas & More by Stanley store	Vendor Name
			Total renovation cost *(₹ in million)* [(1)]	**Total renovation cost *(₹ in million)*** [(1)]	**Total renovation cost *(₹ in million)*** [(1)]	
1.	Interior Work	Painting work, reception table, clear mirror cladding	4.90	9.76	48.75	**Stanley Level Next store-** Work Matrix Interiors and Dev Projects, pursuant to their quotation dated September 2, 2023. **Stanley Boutique store-** Work Matrix Interiors and Dev Projects, pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store-** Work Matrix Interiors and Dev Projects pursuant to their quotations dated September 2, 2023.
2.	Façade Signage	Letters in rose gold matt, installation	1.33	1.29	13.08	**Stanley Level Next store-** Real Value Signs Private Limited and Ideal Signs pursuant to their quotations dated September 2, 2023. **Stanley Boutique Store-** Lightsquare Designs Pvt Ltd and Real Value Signs Pvt Ltd pursuant to their quotations dated September 2, 2023.

S. No.	Particulars	Components include	Stanley Level Next store	Stanley Boutique store	Sofas & More by Stanley store	Vendor Name
			Total renovation cost *(₹ in million)* [(1)]	Total renovation cost *(₹ in million)* [(1)]	Total renovation cost *(₹ in million)* [(1)]	
						Sofas & More by Stanley store - Real Value Signs Private Limited and Ideal Signs pursuant to their quotations dated September 2, 2023
3.	Light Fixture	Track lights, straight jointer	1.85	1.53	10.67	**Stanley Level Next store** - Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited pursuant to their quotations dated September 2, 2023. **Stanley Boutique Store** - Abby Lighting & Switchgear Limited pursuant to their quotation dated September 2, 2023. **Sofas & More by Stanley store** - Lightsquare Designs Pvt Ltd and Abby Lighting & Switchgear Limited pursuant to their quotations dated September 2, 2023.
4.	Internal Branding Work	UV printed fabric, UV printed aluminium profile	2.07	1.42	3.75	**Stanley Level Next store** - Perfect Signs & Sales and ANS Digitall, pursuant to their quotations dated

S. No.	Particulars	Components include	Stanley Level Next store	Stanley Boutique store	Sofas & More by Stanley store	Vendor Name
			Total renovation cost *(₹ in million)* (1)	**Total renovation cost *(₹ in million)*** (1)	**Total renovation cost *(₹ in million)*** (1)	
						September 2, 2023. **Stanley Boutique Store-** ANS Digitall and Real Value Signs Private Limited pursuant to their quotations dated September 2, 2023. **Sofas & More by Stanley store-** Real Value Signs Private Limited and ANS Digitall pursuant to their quotation dated September 2, 2023.
	Total		**10.15**	**14.00**	**76.25**	

Notes:

(1) Including applicable GST

Investment in our Subsidiaries

Considering that the Net Proceeds will be utilised towards renovation of the Existing Stores by our Subsidiaries, our Company shall deploy the Net Proceeds in our Subsidiaries in the form of equity or debt or such other manner as determined by our Company and as permitted under applicable law

The break-up of deployment of Net Proceeds in ASPL, Sana Lifestyles, SDPL, SRL and SSPL for this Object is as follows:

(₹ in million)

Particulars	Amount to be invested from the Net Proceeds	Estimated investment in Fiscal 2025	Estimated investment in Fiscal 2026	Estimated investment in Fiscal 2027
ASPL	7.25	-	-	7.25
Sana Lifestyles	3.93	3.93	-	-
SDPL	9.30	-	-	9.30
SRL	77.10	24.17	25.21	27.72
SSPL	2.82	2.82	-	-
Total	**100.40**	**30.92**	**25.21**	**44.27**

IV. Funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and our Material Subsidiary, SOSL

Our Company and our Material Subsidiary, SOSL intend to purchase new machinery and equipment which will be installed at our manufacturing facilities located at Electronic City, Bengaluru, Karnataka (operated by our Company) and Bommasandra Jigani Link Road, Bengaluru, Karnataka (operated by SOSL), to enhance our manufacturing capabilities. Further, our Company intends to undertake civil works at our manufacturing facility located at Electronic City, Bengaluru, Karnataka. For further details on our manufacturing facilities, see "*Our Business*" on page 171.

We propose to utilise an estimated amount of ₹ 81.85 million from the Net Proceeds towards purchase of new machinery and equipment at our manufacturing facilities located at Electronic City, Bengaluru, Karnataka (operated by our Company) and Bommasandra Jigani Link Road, Bengaluru, Karnataka (operated by SOSL) and for undertaking civil works at our manufacturing facility located at Electronic City, Bengaluru, Karnataka, which is proposed to be undertaken entirely from the Net Proceeds of the Fresh Issue.

As part of such investment, we will incur expenditure towards machinery and equipment such as: (i) rover machine; (ii) water jet cutting machine; (iii) laser cutting machine; (iv) tube bending machine; (v) press brake machine; (vi) laser welding machine; and (vii) PVD coating machine. For further details, see "*Our Business- Strategies*" on page 180.

Our Company and our Material Subsidiary, SOSL have identified the machinery and equipment to be purchased and obtained quotations from respective vendors, and are yet to place any orders or enter into any definitive agreements for such machinery and equipment. No second-hand or used machinery are proposed to be purchased out of the Net Proceeds. The amount to be spent and machinery and equipment to be procured by our Company will depend upon business requirements and technology advancement. The details and total estimated cost towards purchasing machinery and equipment for the capital expenditure are set forth in the table below.

Detailed break-up of capital expenditure requirements

S. No.	Location/Facility	Description of machinery/equipment	Purpose of machinery/equipment	Quantity/ Lot/ Set	Amount (₹ in million)(1)	Name of the vendors	Date of quotations	Period of Validity
1.	Electronic City	M200-4020 Waterjet Cutting Machine	It is used for fine, precise cuts on sensitive, hard and soft materials as well as on non-metals such as ceramics.	1	23.96(2)	Flow Asia Corporation	April 27, 2023	One Year
		CNC Sheet and Tube Laser Cutting Machine	It uses a powerful laser beam to cut or engrave materials with exceptional precision and versatility.	1	6.75	Wuhan Huagong International Development Adhikhah Mechneering Solutions Pvt Ltd	July 10, 2023	One Year

S. No.	Location/Facility	Description of machinery/equipment	Purpose of machinery/equipment	Quantity/ Lot/ Set	Amount (₹ in million)[(1)]	Name of the vendors	Date of quotations	Period of Validity
		CNC Press Brake Machine- 5 Axis	It is a computer-controlled machine used in metalworking to bend and shape sheet metal with high precision and efficiency, enabling automated and repeatable bending processes in various industries.	1	3.30	Energy Mission Machineries (India) Pvt. Ltd.	July 15, 2023	One Year
		Handheld Fiber Laser Welding Machine	It is a specialized tool used to join various metal components and parts used in furniture manufacturing.	1	0.93	Wuhan Huagong International Development Adhikhah Mechneering Solutions Pvt Ltd	July 10, 2023	One Year
2.		PVD Coating Machine	It applies thin and durable coatings to enhance the appearance, durability, and performance of furniture components, providing a wide range of decorative and functional options.	1	32.91	Surface Modification Technologies Pvt. Ltd.	August 15, 2023	One Year
		Electrical Work	It involves supply, installation, commissioning and testing of panels, sub panel, and cable tray that are used for setting up the PVD Coating Machine and Waterjet Cutting Machine.	1	3.57	M.S. Electricals	September 2, 2023	One Year
		Civil works	Civil works which are required for setting up the PVD Coating Machine and Waterjet Cutting Machine.	1	2.42	Right Angle Maintenance	September 2, 2023	One Year
			Total estimated cost (A)		**73.84**			
3.	Jigani Link Road	Rover AS FT 1224	It is used for wood cutting uses computer-controlled technology to achieve precise and efficient wood cutting and shaping.	1	8.01	Biesse Manufacturing Co. Pvt. Ltd.	7/14/2023	One Year
			Total estimated cost (B)		**8.01**			

Notes:
1. Including applicable GST or customs duty or other taxes, as applicable.
2. *Assuming an exchange rate of ₹ 82.68 for 1 USD as on August 31, 2023 as available on www.oanda.com*

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. However, we are yet to place any orders for the total capital expenditure. We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machinery and equipment or provide the service at the same costs. If there is any increase in the costs of machinery or equipment, the additional costs shall be paid by our Company from its internal accruals. The quantity of machinery and equipment to be purchased is based on the present estimates of our management. While there will be no variation in the type of machinery and equipment to be procured, there could be a variation in the net proceeds to be deployed towards each of the aforementioned machinery and equipment depending on the actual price and quantity required, subject to the total amount to be utilized towards purchase of such machinery and equipment not exceeding ₹81.85 million. See, "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any bank financial institution, or any other independent agency, and we have not entered into definitive agreements in relation to the objects of our Offer, which may affect our business and results of operations. Further, the* *schedule of the implementation of the Objects for which funds are being raised in the Offer, is subject to risk of unanticipated delays in implementation and cost overruns"* on page 35.

Considering that a portion of the Net Proceeds allocated for this Object will also be utilised towards purchase of machinery and equipment by our Material Subsidiary, SOSL, our Company shall deploy such portion of the Net Proceeds in SOSL in the form of equity or debt or such other manner as determined by our Company and as permitted under applicable law

V. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating up to ₹ [●] million towards funding our general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, but not limited to, strategic initiatives, expansion initiatives and meeting exigencies, salary, rent, IT upgradation, raw materials, services obtained from vendors, electricity charges and advertisements and meeting expenses incurred by our Company in the ordinary course of business, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds for 'general corporate purposes' towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

The Offer related expenses primarily include fees payable to the Book Running Lead Managers and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) the listing fees, audit fees (not in relation to the Offer), and expenses for any product or corporate advertisements consistent with past practice of our Company (other than the expenses relating to the Offer), each of which will be solely borne by our Company; and (b) fees for legal counsel to each Selling Shareholder, which shall be solely borne by the respective Selling Shareholder, severally and not jointly, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer, including but not limited to offer advertising, printing, research expenses, road show expenses, accommodation and travel expenses, stamp duty, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, and other Offer related agreements, Registrar's fees, fees to be paid to the Book Running Lead Managers, fees and expenses of legal counsels to our Company and the Book Running Lead Managers, fees and expenses of the auditors, fees to be paid to Sponsor Bank, SCSBs (processing fees and selling commission), brokerage and commission for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors, regulatory fees, fees to intermediaries and third parties, shall be borne by our Company and each of the Selling Shareholders on a pro rata basis, in proportion to the number of Equity Shares issued and allotted by our Company pursuant to the fresh issue and/or transferred by the Selling Shareholders pursuant to the offer for sale, in the manner as may be agreed between the parties, subject to Applicable Law. All such payments (except fees, commission and expenses to be paid to the Book Running Lead Managers) shall be made by our Company on behalf of the Selling Shareholders (in accordance with the appointment or engagement letter or memoranda of understanding or agreements with such entities). Each Selling Shareholder shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the Selling Shareholder in the manner as may be agreed between the parties, subject to Applicable Law. In the event the Offer is unsuccessful, all expenses of the Offer will be borne on a pro-rata basis by our Company and each of the Selling Shareholders in proportion to the Equity Shares proposed to be issued and allotted by our Company under the Fresh Issue and the Offered Shares proposed to be transferred by each of the Selling Shareholders under the Offer for Sale, respectively.

The estimated Offer related expenses are as under:

Activity	Estimated Offer expenses (₹ in million)(1)	As a % of the total estimated Offer expenses(1)	As a % of the total Offer size(1)
Fees payable to the Book Running Lead Managers including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Banker(s) to the Offer and brokerage, underwriting and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs	[●]	[●]	[●]

Activity	Estimated Offer expenses (₹ in million)[(1)]	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
(1)(2)(3)(4)			
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer			
-Auditors	[●]	[●]	[●]
-Independent Chartered Accountant	[●]	[●]	[●]
-Industry expert	[●]	[●]	[●]
-Independent Chartered engineer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are directly procured and uploaded by the SCSBs, would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *No additional uploading/ processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*

(4) *Processing fees payable to the SCSBs on the portion for RIBs and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ [●] per valid application (plus applicable taxes)*

* *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

(5) *Selling commission on the portion for UPI Bidders using the UPI Mechanism and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]%of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by the RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for UPI Bidders and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by UPI Bidders would be as under:

Members of the Syndicate / RTAs / CDPs	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] per valid application (plus applicable taxes)*

	The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, the Syndicate Agreement and other applicable laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format as prescribed by SEBI, from time to time and in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds only in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board, in accordance with the policies of our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Net Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the proposed Fresh Issue exceeds ₹1,000 million.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Net Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, in accordance with the Companies Act, 2013, read with relevant rules. The Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, the vernacular language of the jurisdiction where our Registered Office is situated. In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act, 2013 and the SEBI ICDR Regulations.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel, our Senior Management Personnel or our Group Companies. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, the Promoter Group, our Directors, our Key Managerial Personnel, our Senior Management Personnel or our Group Companies.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also see "*Risk Factors*", "Summary of *Financial Information*", "*Our Business*", "*Restated Consolidated Financial Information*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 26, 63, 171, 235 and 320, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Largest and the fastest growing brand in the luxury/super-premium furniture segment;
- Comprehensive home solutions provider with offerings across categories and price points;
- Pan-India presence with strategically located stores;
- Focus on design-led product innovation;
- Vertically integrated manufacturer with skilled craftmanship capabilities;
- Efficient business model with track record of delivering financial growth; and
- Promoter-led company with experienced professional and senior management team.

For details, see "*Our Business – Competitive Strengths*" on page 174.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Restated Consolidated Financial Information*" beginning on page 235.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹2):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	6.37	6.37	3
March 31, 2022	4.14	4.14	2
March 31, 2021	0.20	0.20	1
Weighted Average	**4.60**	**4.60**	

Notes:
1) *Earnings per Equity Share = Profit attributable to owners of our Company for the year / Weighted average number of equity shares outstanding during the year.*
2) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] /[Total of weights]*
3) *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended), read with the requirements of the SEBI ICDR Regulations.*
4) *Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.*
5) *On June 23, 2023, our Company alloted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.*
6) *The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.*

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price* (number of times)	P/E at the Cap Price* (number of times)
Based on basic EPS for year ended March 31, 2023	**[●]**	**[●]**
Based on diluted EPS for year ended March 31, 2023	**[●]**	**[●]**

**to be computed after finalization of Price Band*

Notes:
1) *P/E ratio = Price per equity share / Earnings per equity share.*

C. Industry Peer Group P/E ratio

There are no listed companies in India and globally that engage in a business that is similar to that of our Company. Accordingly, we have not provided an industry comparison in relation to our Company.

D. Return on Net worth ("RoNW")

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2023	15.18%	3
March 31, 2022	10.69%	2
March 31, 2021	0.56%	1
Weighted Average	**11.25%**	

Notes:

1) *Return on Net Worth (%) = Restated profit/(loss) attributable to the owners of the Company divided by total equity attributable to equity shareholders of the Company (excluding non controlling interests).*
2) *Net Worth represents equity attributable to the equity holders of our Company (excluding non controlling interests).*
3) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(RoNW x Weight) for each year] /[Total of weights].*

E. Net Asset Value ("NAV") per Equity Share

Particulars	Amount (₹)
As on March 31, 2023	41.96
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
Offer Price	[●]

**To be computed after finalization of price band*

Notes:

1) *Net Asset Value per Equity Share = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.*
2) *Net Worth represents equity attributable to the equity holders of our Company (excluding non controlling interests).*
3) *Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.*
4) *On June 23, 2023, our Company alloted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.*
5) *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

F. Key Performance Indicators

The tables below set forth the details of our certain financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and the operational KPIs verified and audited (as certified by the Independent Chartered Accountant, by way of their certificate dated September 4, 2023), disclosed below have been approved and confirmed by a resolution of our Audit Committee dated September 4, 2023. The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company and were presented in the past meetings of the Board and Audit Committee or shared with the shareholders during the three years preceding the date of this Draft Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this "Basis for Offer Price" section, have been identified and verified by the management of our Company and have been certified by the Independent Chartered Account. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and the operational KPIs have been certified by the Independent Chartered Accountant by way of their certificate dated September 4, 2023, which has been included in "*Material Contracts and Documents for Inspection – Material Documents*" on page 402.

A list of certain financial data, based on our Restated Consolidated Financial Information is set out below for the indicated period:

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	**2022**	**2021**
Revenue from Operations(1)	4,189.98	2,922.04	1,957.80
Revenue from Operations Growth (%)(2)	43.39	49.25	-*
Profit for the year(3)	349.77	232.19	19.23
PAT Growth (%)(4)	50.64	1,107.60	-*
Trade Receivables days(5)	15	21	-*
Inventory days(6)	214	270	-*
Trade Payable days(7)	81	99	-*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Cash Conversion Cycle(8)	148	192	-*

** Not included as the comparative period figures under Ind-AS for FY 2020 / as on March 31, 2020 are not available.*

Notes:
1) *Revenue from Operations means Revenue from sale of products, other operating revenue, and contract balances.*
2) *Revenue growth (year on year) means the annual growth in Revenue from Operations.*
3) *Profit for the year means the profit for the year as appearing in the Restated Financial Information.*
4) *PAT Growth (year on year) means the annual growth in Profit for the year.*
5) *Trade Receivables Days is calculated as 365 divided by (Revenue from operations / average trade receivables).*
6) *Inventory Days is calculated as 365 divided by (cost of goods sold / average inventory). Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and Change in inventories.*
7) *Trade Payable Days is calculated as 365 divided by (total purchase of raw material and stock in trade / average trade payables).*
8) *Cash Conversion Cycle is sum of Trade Receivable Days and Inventory Days as reduced by Trade Payable Days.*

A list of our certain non-GAAP measures, is set out below for the indicated period:

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Gross Profit(1)	2,147.11	1,481.52	982.40
Gross Margin(2) (%)	51.24	50.70	50.18
EBITDA(3)	827.17	590.08	297.75
EBITDA Growth(4) (%)	40.18	98.18	-*
EBITDA Margin(5) (%)	19.74	20.19	15.21
PAT Margin(6) (%)	8.35	7.95	0.98
Return on Equity(7) (%)	16.29	11.81	1.03
Return on Capital Employed(8) (%)	16.63	12.90	5.52

**Not included as the comparative period figures under Ind-AS for FY 2020 / as on March 31, 2020 are not available.*

Notes:
1) *Gross Profit is calculated as Revenue from Operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories.*
2) *Gross Margin is calculated as Gross Profit divided by Revenue from Operations.*
3) *EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income*
4) *EBITDA Growth (year on year) means the annual growth in EBITDA.*
5) *EBIDTA Margin is calculated as EBITDA divided by Revenue from Operations.*
6) *PAT Margin is calculated as restated profit for the year divided by Revenue from Operations.*
7) *Return on Equity (%) is calculated as restated profit for the year divided by average total equity.*
8) *Return on Capital Employed (%) is calculated as EBIT divided by Capital Employed. EBIT is calculated as restated profit for the year plus total tax expense plus finance costs and Capital employed is calculated as the sum of Total Equity, Current Borrowings, Non-Current Borrowings, Non-Current & Current Lease Liabilities and as reduced by Goodwill on consolidation, Intangible assets and Intangible assets under development.*

For reconciliation of certain non-GAAP financial measures, see "*Other Financial Information – Reconciliation of Non-GAAP Financial Measures*" on page 313.

A list of our certain operational KPIs, is set out below for the indicated period:

Format*	As of March 31,						As of June 30, 2023	
	2021		2022		2023			
	Stores	Cities	Stores	Cities	Stores	Cities	Stores	Cities
Company Owned and Company Operated Stores								
Stanley Level Next	3	1	4	2	5	3	5	3
Stanley Boutique	7	5	7	5	9	5	9	5
Sofas & More by Stanley	8	1	14	2	17	2	17	2
Others(1)	1	1	2	2	3	2	3	2
Total (A)	**19**	**5**	**27**	**5**	**34**	**5**	**34**	**5**
Franchisee Owned Franchisee Operated Stores								
Stanley Level Next	-	-	1	1	1	1	1	1
Stanley Boutique	3	3	3	3	4	3	4	3
Sofas & More by Stanley	3	3	9	9	15	15	16	16
Total (B)	**6**	**5**	**13**	**11**	**20**	**17**	**21**	**18**
Total (A+B)	**25**	**9**	**40**	**15**	**54**	**21**	**55**	**22**

(1) Others includes Design Eight and Stanley Personal stores.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 171 and 320, respectively.

Subject to applicable law, our Company confirms that it shall continue to disclose all the above financial data based on the Restated Consolidated Financial Information, certain non-GAAP measures and KPIs included in this "*Basis for Offer Price*" section, on a periodic basis, at least once in a year (or for any lesser period as determined by our Board), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "*Objects of the Offer*" section on page 87.

G. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business. See *"Risk Factors – Internal Risks - We have in this Draft Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies"* on page 43.

Explanations for the certain financial data based on Restated Consolidated Financial Information

Certain financial data	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Revenue from Operations Growth	Revenue from Operations growth provides information regarding the growth of our business for the respective period.
Restated profit for the year	Restated profit for the year provides information regarding the overall profitability of the business.
PAT Growth	PAT growth provides information regarding the growth of our operational performance for the respective period.
Trade Receivables days	Trade Receivables days is the average number of days required for a company to receive payments from its customers.
Inventory days	Inventory days is the average number of days required for a company to convert its inventory into sales.
Trade Payable days	Trade Payable days is the average number of days required for a company to pay its suppliers.
Cash Conversion Cycle	Cash Conversion Cycle is the time it takes to convert net current assets and current liabilities into cash.

Explanations for certain non-GAAP measures

Certain non-GAAP measures	Explanations
Gross Profit	Gross Profit assesses the Company's operational efficiency at using its labour and costs in producing goods or services.
Gross Margin	Gross Margin is an indicator of the operational efficiency and financial performance of the business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Growth	EBITDA growth provides information regarding the growth of our operational performance for the respective period.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
Return on Equity	Return on equity provides how efficiently our Company generates profits from shareholders' funds.

Certain non-GAAP measures	Explanations
Return on Capital Employed	Return on capital employed provides how efficiently our Company generates earnings from the capital employed in the business.

Explanations for operational KPIs

Operational KPIs	Explanations
Stores	Stores data is a key metric used to assess the performance and growth of our business. Our Company markets and sells products through their network of stores under multiple formats. Our Company operates through "company owned and company operated" or "COCO" stores and "franchisee-owned and franchisee-operated" or "FOFO" stores. Sales and profit can be achieved by increasing stores across various formats and multiple cities.

H. Comparison with Listed Industry Peers

We are one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands (*Source: RedSeer Report*). According to the RedSeer Report, as of June 30, 2023, our retail presence in India was three times the size of our nearest competitor in the luxury/super-premium furniture industry. Over the years, we have developed a vertically integrated model that gives us control over our processes, right from procurement of raw materials, design, production, marketing and retail. Further, we are one of the few organized vertically integrated furniture manufacturers with infrastructure capable of manufacturing and producing furniture for every room (*Source: RedSeer Report*). Given the size of our manufacturing as well as retail, there are no direct listed companies in India or internationally with whom our business model can be compared that matches the size and scale of our business operations. Accordingly, it is not possible to provide an industry comparison to our Company.

Weighted average cost of acquisition ("WACA"), floor price and cap price

1. **Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP 2022 and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")**

   Our Company has not issued any Equity Shares, excluding issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

2. **Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus / the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")**

   There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Promoter, members of the Promoter Group, Selling Shareholders or the Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

3. **Since there are no such transaction to report to under 1 and 2, the following are the details basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:**

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Million)
Primary issuances						

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Million)
June 23, 2023	14,742,048	2.00	NA	Bonus Issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares	NA	Nil
Weighted average cost of acquisition (WACA) (primary issuances)(₹ per Equity Share**)**						Nil
Secondary transactions						
None						
Weighted average cost of acquisition (WACA) (secondary transactions) (₹ per Equity Share**)**						Not Applicable

4. **The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the equity shares were issued by our Company, or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors are disclosed below:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ [●]*)	Cap price (i.e. ₹ [●]*)
WACA of Primary issuances	Not Applicable	[●]	[●]
WACA of Secondary transactions	Not Applicable	[●]	[●]
Since both a) and b) in not applicable (last 3 years transactions)			
Based on primary transactions	Nil^	[●]	[●]
Based on Secondary transactions	Not Applicable	[●]	[●]

**To be computed after finalization of Price Band. To be updated at Prospectus.*
#As certified by N B T and Co, Chartered Accountants, by way of their certificate dated September 4, 2023.
^ Only Primary transaction in the Equity Shares in last 3 years has been through bonus issue of equity shares.

5. **Justification for Basis of Offer price**

1. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs for the Financial Years 2023, 2022 and 2021**

   [●]*
   **to be computed after finalization of Price Band*

2. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in the last three full Financial Years preceding the date of this Draft Red Herring Prospectus compared to our financial ratios for the Financial Years 2023, 2022 and 2021**

   [●]*
   **to be computed after finalization of Price Band*

3. **The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of equity shares that were issued by our Company or acquired by the Selling Shareholders or other shareholders with rights to nominate directors by way of primary and secondary transactions in view of external factors, if any**

   [●]*
   **to be computed after finalization of Price Band*

The Offer Price of ₹ [●] has been determined by our Company, the Promoter Selling Shareholders, the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*" and "*Restated Consolidated Financial Information*" beginning on pages 26, 171 and 235, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Stanley Lifestyles Limited
SY No.16/2 and 16/3 Part, Hosur Road,
Veerasandra village, Attibele Hobli,
Anekal Taluk, NA Bangalore -560100

Dear Sir/Madam,

Sub: Statement of possible special tax benefits available to Stanley Lifestyles Limited ("the Company"), its shareholders and its material subsidiaries in accordance with the requirement under Schedule VI-A Part A – Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") under direct tax and indirect tax laws ("Statement of Possible Special Tax Benefits").

We refer to the proposed initial public offering of the equity shares (the "Offer") of the Company. We enclose herewith the statement (the "**Annexure**") showing the current position of possible special tax benefits available to the Company , its shareholders and its material subsidiaries as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, as amended by the Finance Act 2023 as presently in force , the Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company, its shareholders and its material subsidiaries operate and applicable to the Company, its shareholders and its material subsidiaries, respectively, Customs Act, 1962 and Foreign Trade Policy 2015-2020 (as extended) including the rules, regulations, circulars and notifications issued there under (the "Tax laws") , relevant to the financial year 2023-24 and relevant to the assessment year 2024-25 presently in force in India for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed initial public offering of equity shares of the Company, as required under ICDR Regulations.

Several of these benefits are dependent on the Company, its shareholders and its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company, its shareholders and its material subsidiaries to derive these possible special direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives of the Company, its shareholders and its material subsidiaries may face in the near future and accordingly, the Company, its shareholders and its material subsidiaries of the Company may or may not choose to fulfil.

The possible special tax benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and its material subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its material subsidiaries. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares by the Company (the "**Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The Company, its shareholders and its material subsidiaries will continue to obtain these possible special tax benefits in future;
- The conditions prescribed for availing the possible special tax benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the possible special tax benefits available to the Company, its shareholders and its material subsidiaries in the DRHP in relation to the Offer, which the Company intends to file with the Securities and Exchange Board of India and the stock exchange(s) where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the DRHP.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and its material subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its material subsidiaries and the existing provisions of tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the proposed initial public *offer relying on the Annexure.*

This statement has been prepared solely in connection with the proposed initial public offering of equity shares by the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Yours faithfully,

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration Number: 117366W/W-100018)

Sandeep Kukreja
Partner
(Membership No. 220411)
UDIN: 23220411BGQBRQ4182

Place: Bengaluru
Dated: September 4, 2023

ANNEXURE

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT (Note 1)

1. Stanley Retail Limited.
2. Stanley OEM Sofas Limited.
3. Shrasta Decor Private Limited (Collectively referred to as "material subsidiaries")

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended includes a subsidiary whose income or net worth in the immediately preceding accounting year (i.e., 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO STANLEY LIFESTYLES LIMITED ("THE COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES

The information provided below sets out the possible special direct tax benefits available to Stanley Lifestyles Limited, ("the Company"), its shareholders and its material subsidiaries in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership, and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company, its shareholders and its material subsidiaries will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHARE HOLDERS AND ITS MATERIAL SUBSIDIARIES.

I. Special Direct tax benefits available to the Company and its Material Subsidiaries.

The Statement of possible tax benefits enumerated below is as per the Income Tax Act 1961 as amended from time to time and as applicable for financial year 2023-24 relevant to assessment year 2024-25.

1. Lower corporate tax rate under section 115BAA of the Act

The Section 115BAA provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess[1]).

In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable if the Company and its material subsidiaries opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company and its material subsidiaries will not be entitled to claim tax credit relating to MAT.

The Company and its material subsidiaries have opted for the concessional rate of tax in the respective years return of income tabulated below:

[1] *Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge*

Sr. No.	Name of the Entity	Previous Year in which benefit opted	Relevant Assessment Year for which benefit opted
1	Stanley Lifestyles Limited	2019-20	2020-21
2	Stanley Retail Limited	2021-22	2022-23
3	Stanley OEM Sofas Limited	2020-21	2021-22
4	Shrasta Decor Private Limited	2019-20	2020-21

a) Deduction from Gross Total Income

- Deduction under section 80JJAA of the Act:

As per section 80JJAA of the IT Act, the Company and its material subsidiaries are entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to the fulfilment of prescribed conditions therein.

The deduction under section 80JJAA is available even if the Company and its material subsidiaries opts for concessional tax rate under section 115BAA of the Act.

- Deduction under section 80M of the Act:

With respect to a shareholder which is a domestic company as defined in section 2(22A), and section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. Special Direct tax benefits available to Shareholders

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic company, deduction under Section 80M of the Act would be available on fulfilling the conditions as mentioned above. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

a) As per Section 112A of the Act, long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares and on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance(No.2) Act read with Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,00,000 in a financial year.

b) As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.

c) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfillment of other conditions to avail the treaty benefit.

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES

The Statement of possible tax benefits enumerated below is per the Central Goods and Services Tax Act, 2017 ('CGST Act’), the Integrated Goods and Services Tax Act, 2017 (‘IGST Act’), the Union Territory Goods and Services Tax Act, 2017 ('UTGST Act’), respective State Goods and Services Tax Act, 2017 (‘SGST Act’) (All these legislations collectively referred to as ‘GST Legislation’), the Customs Act, 1962, the Customs Tariff Act, 1975 and Foreign Trade Policy (collectively referred to as “Indirect Tax”) as amended from time to time and as applicable for financial year 2022-23 and quarter ending June 2023 i.e. period from April 2022 to June 2023.

I. Special Indirect tax benefits available to the Company and its material subsidiaries under the Indirect Tax laws

a) Refund of integrated tax paid on Export supply of goods or refund of tax paid on inputs/input services used in export supply of goods

Under the GST legislation, 'zero-rated' supplies includes export supply of goods or services or both made by a registered person. Further, a registered person making such zero rated supply is eligible to claim either refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking or refund of the integrated tax paid on such zero-rated supply subject to prescribed conditions, safeguards and procedures.

The Company and its material subsidiaries have availed the benefit of refund of the integrated tax paid on the export supply of goods.

b) Merchandise Export from India Scheme ('MEIS') and Remission of Duties and Taxes on Exported Products ('RoDTEP')

Under the MEIS scheme, certain rewards and incentives are given to exporters. Such incentives are given to exporters at a specified rate which varies from product to product and from country to country. The incentives are given at a specified rate on the Free on Board ('FOB') value. The incentives awarded to exporters under this scheme are issued in the form of Duty Credit scrips. These Duty Credit scrips are freely transferrable and can be used for the payment of Customs duty. The MEIS incentives were applicable from 01 April 2015 to 31 December 2020.

The end of MEIS gave birth to the RoDTEP scheme which came into effect on 01 January 2021. This scheme has been introduced with an objective to neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods. The benefits under this scheme range between 0.5% to 4.3% of the FOB value of exported goods subject to a cap at a certain sum per unit of the export commodity. The Company and its material subsidiaries have availed the benefit of RoDTEP scheme at the rate of 0.50% under Custom Tariff Head 94016100 as per Appendix R of Notification No. 19/2015-2020 providing scheme guidelines for RoDTEP.

c) Duty Drawback Scheme for export of goods

Duty Drawback scheme is a trusted and time-tested scheme administered to promote exports. It rebates the incidence of Customs and Central Excise duties chargeable on imported and excisable material respectively when used as inputs for goods to be exported. This scheme ensures that exports are zero-rated and do not carry burden of the specified taxes. This scheme comprises of three categories:

- All Industry Rate (AIR)
- Brand Rate
- Drawback on re-export of imported goods

The AIR of Duty Drawback of an export product is an average rate based on the average quantity and value material and average duties of Customs and Central Excise borne by each class of material from which export goods are ordinarily manufactured. It is a simple mechanism for grant of Duty Drawback based on the shipping bill declaration without requiring additional documentation. The Company and its Material Subsidiaries have availed the benefit of AIR Duty Drawback at the rate of 1.13% under Custom Tariff Head 94016100 as per Notification No. 07/2020-CUSTOMS (N.T.) as amended from time to time.

d) Exemption of Customs duty on exports of goods from Association of Southeast Asian Nations (ASEAN) countries

The Customs Act, 1962 provides power to the Central Government to exempt duty of customs leviable on imported goods to the extent they find feasible if the said goods are imported into India from specified ASEAN countries as per Notification No. 46/2011- Customs as amended from time to time. In order to avail the said exemption, the importer is supposed to prove to the satisfaction of the Customs authorities that the goods in respect of which the benefit of exemption is being claimed are of the origin of the ASEAN countries as mentioned in the relevant notifications and appendices.

The Company and its material subsidiaries have availed benefit of NIL rate of Basic Customs Duty against import of goods falling under the Customs Tariff Head 41071200 and 44101190 made from Thailand and Indonesia.

II. Special Indirect Tax benefits available to Shareholders

There are no special Indirect Tax benefits available for the shareholders.

NOTES:

1. We have not considered general tax benefits available to the Company, its shareholders and its material subsidiaries of the Company. The above Statement covers only certain possible special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

2. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

5. This statement does not consider general tax benefits available to the Company and its material subsidiaries.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Deep Dive into Luxury and Super-Premium Furniture Industry" dated September 2023 (the "**RedSeer Report**") prepared and issued by RedSeer Management Consulting Private Limited, pursuant to an engagement letter dated April 11, 2023. The RedSeer Report has been exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the RedSeer Report and may have been re-ordered by us for the purposes of presentation. A copy of the RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf. Unless otherwise indicated, financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For more information, see "Risk Factors– Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose." on page 49. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in in the RedSeer Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

OVERVIEW OF INDIAN ECONOMY

INDIA'S MACROECONOMIC ELEMENTS FOSTER A FAVOURABLE ENVIRONMENT FOR ROBUST GROWTH

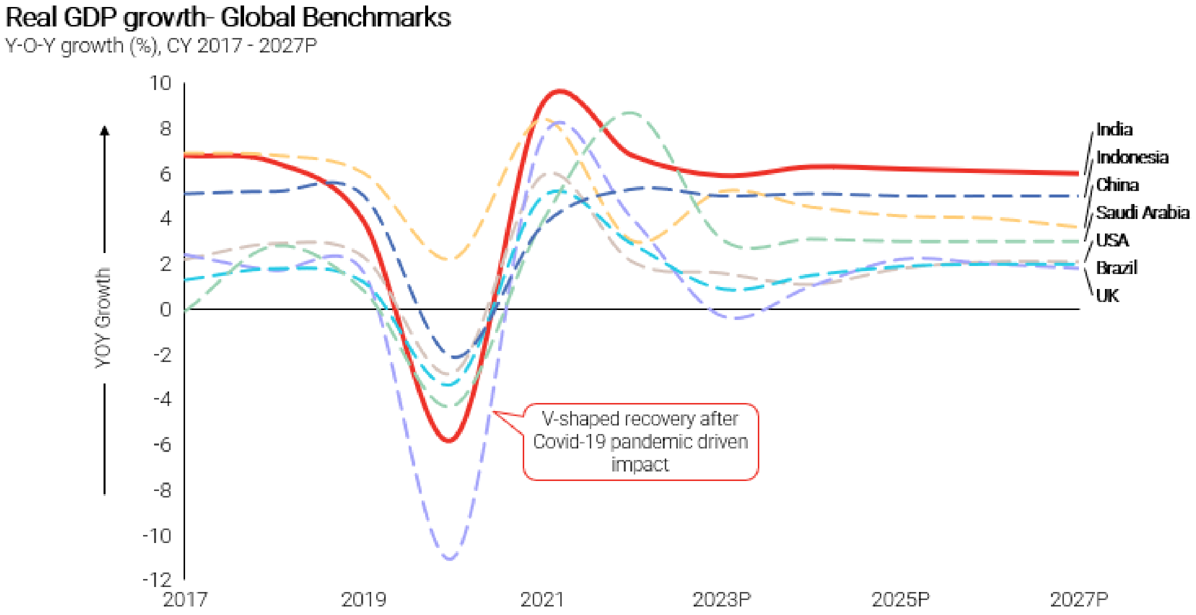
The Indian economy has witnessed an average real GDP growth of approximately 7% and is one of the consistently fast-growing economies. The year 2019 and 2020 witnessed some headwinds concerning consumption and GDP growth, impacting all economies and India was no exception Post Covid-19, India observed resilient V-shaped recovery outpacing other developing and developed nations in terms of GDP growth.

Real GDP growth – Global Benchmarks

Y-O-Y growth (%), CY 2019-2027P

Country	2019	2020	2021	2022	2023P	2024P	2025P	2026P	2027P
India	3.9%	-5.8%	9.1%	6.8%	5.9%	6.3%	6.2%	6.1%	6.0%
China	6.0%	2.2%	8.4%	3.0%	5.2%	4.5%	4.1%	4.0%	3.6%
USA	2.3%	-2.8%	5.9%	2.1%	1.6%	1.1%	1.8%	2.1%	2.1%
Indonesia	5%	-2.1%	3.7%	5.3%	5%	5.1%	5%	5%	5%
UK	1.6%	-11%	7.6%	4%	-0.3%	1%	2.2%	2%	1.8%
Saudi Arabia	0.8%	-4.3%	3.9%	8.7%	3.1%	3.1%	3%	3%	3%
Brazil	1.2%	-3.3%	5%	2.9%	0.9%	1.5%	1.9%	2%	2%

Source: *International Monetary Fund* ***("IMF")***

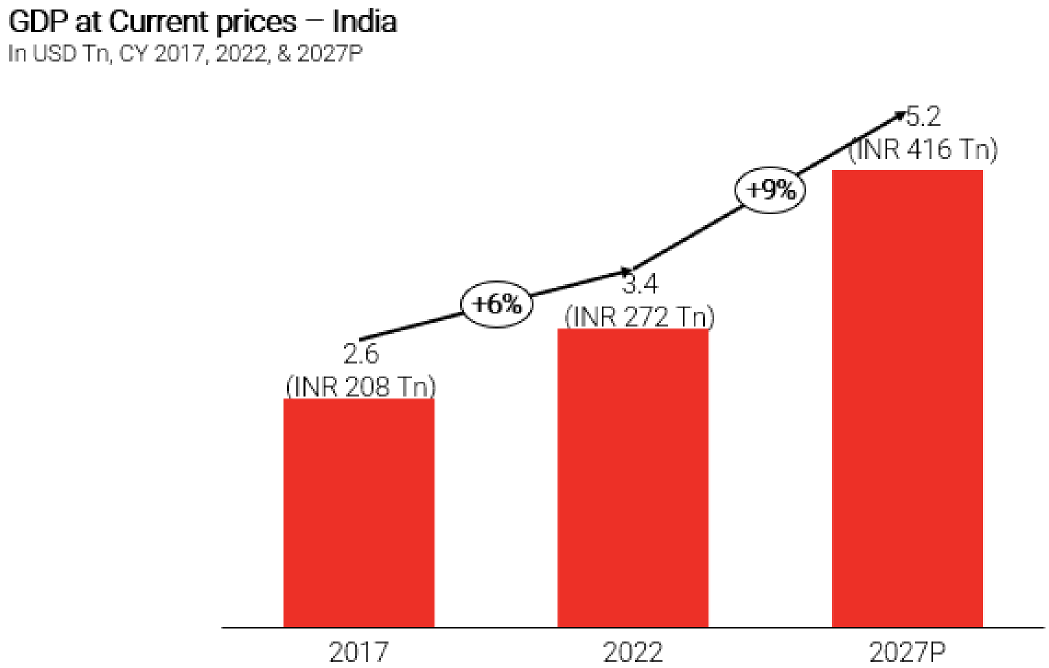


Notes: Real GDP is inflation adjusted calculation reflecting the value of economic output. GDP at current price/ nominal GDP is the GDP unadjusted for the effects of inflation and is at current market price.
Source: IMF

The current year observes global challenges like rising inflation led by the European countries, the depreciating rupee, and the Russian-Ukraine conflict. India, along with other economies, faced challenges due to various global headwinds, making its impact unavoidable. However, the government rapidly took measures along with the support of RBI to combat inflation. The collaboration helped in curtailing the inflation and bringing it below the RBI upper tolerance target in November 2022. The World Bank's latest update on India's development said that India is highly resilient to global shocks and is expected to grow faster than other economies.

As per Indian economic survey 2022-23, many worldwide agencies such as World Bank, IMF, S&P, Moody etc. have projected India to grow at a rate of 6.5 – 7.5% in the current year. Rebound of private consumption due to rising domestic demand is one of the major reasons for the robust growth. The implementation of vaccination campaign in India too propelled people to return to normalcy, leading to an increase in the demand for goods and services and contributing to the uptick in private consumption.

India is now primed for a strong growth, with an estimated growth rate of approximately 9% at current prices to become approximately US$ 5.2 trillion by 2027. According to the Centre for Economics and Business Research ("**CEBR**"), India currently holds the position of the fifth-largest economy and is projected to attain the status of the third-largest country by 2030.



Notes: Real GDP is inflation adjusted calculation reflecting the value of economic output. GDP at current price/ nominal GDP is the GDP unadjusted for the effects of inflation and is at current market price.

Source: IMF

Key underlying growth drivers of Indian economy

- **Favourable demographics:** According to 2023 UN estimates, India possesses a median age of 27.9 years, positioning it as considerably younger in comparison to other major economies like China (38.5 years) and US (37.9 years). Moreover, India actively contributes a significant number of working-age individuals (between 20 to 59 years) to the global workforce. The large working-age population in India offers opportunities for economic growth, productivity, innovation, and consumption.

- **Increasing nuclearisation**: The average size of Indian household is shrinking. According to National Family Heath Survey The size of an average household in India has shrunk from 4.8 in Fiscal 2012 to 4.4 in Fiscal 2020. The number of nuclear families is rising with increasing migration to urban areas in search of employment. This has led to increased consumption as nuclear families demand for individual consumer goods and allocate more of their disposable income to discretionary spends.

- **Rapid urbanization:** As per United Nations ("**UN**") estimates, the share of urban population increased from 33.18% to 35.39% between 2016 -2021.India possesses one of the largest urban populations in the world. An increasing number of people are actively seeking good employment opportunities and relocating to big cities. Such trend has become prevalent among the population. Migrants, too, exhibit a willingness to invest in quality homes and establish their families in the city, which was not as common in the past. Individuals have developed a heightened awareness of their lifestyle, leading to a spiral effect of increased spending. Rapid urbanization is expected to accelerate the economic growth by increasing economic opportunities, fostering infrastructure development, and attracting investments. As per Niti Aayog, urban population contribute a massive 60% to the Indian GDP and it is likely to increase to 75% by 2030.

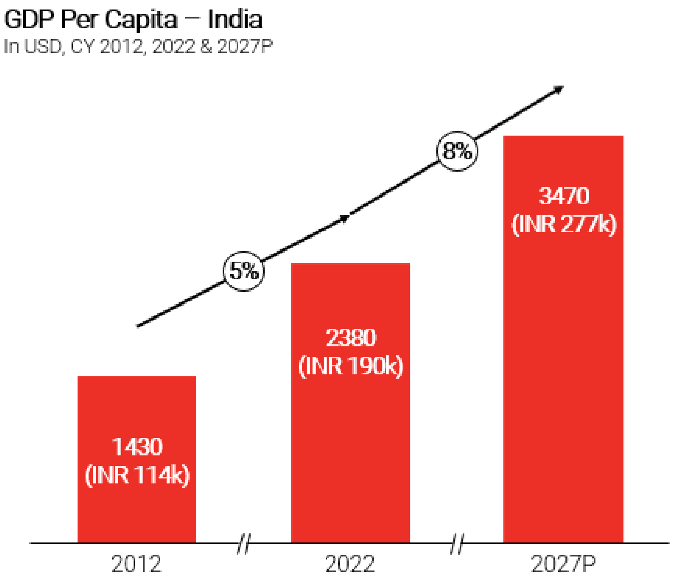
- **Regulatory reforms:** Government launched "Make in India" campaign, with an aim to attract foreign investment and promote domestic manufacturing. The campaign primarily focused on initiatives such as relaxation of foreign direct investment (FDI) norms, improving infrastructure, and implementation of ease of doing business reforms. These efforts have accelerated the growth of manufacturing sector in general and stimulated job creation in the country.

  Overall, these regulatory reforms, along with various other initiatives (GST, IBC, RERA, PLI Schemes etc.), have played a crucial role in driving India's economic growth. India's ongoing transformation into a global economic powerhouse and its positioning as an attractive destination for domestic and international investors are the direct results of the contributions made by these initiatives and reforms.

- **Rise in per capita Gross National Disposable Income (GNDI):** As per Ministry of Statistics & Programme Implementation (MOSPI), India's GNDI grew at CAGR of approximately 9% between Fiscal 2014 and Fiscal 2023 to reach US$ 2,468. The reduction in economic activity due to outbreak of COVID 19 dropped the per capita GNDI to US$ 1,855 in Fiscal 2021. However, it recovered fast in Fiscal 2022 to reach US$ 2,156. Going forward it is projected to increase as economy grows and demand picks up.

INDIAN HOUSEHOLDS ACTIVELY ENGAGE IN DISCRETIONARY SPENDING, ESPECIALLY LUXURY SPENDING, FUELLED BY THE SURGE IN GDP PER CAPITA

According to the IMF, India's GDP per capita was US$ 2,380 in 2022, which is currently lower than that of other developed economies like the US (US$ 76,350) and China (US$ 12,810). However, the IMF has projected a potential growth of 8% annually, which could result in India's GDP per capita reaching US$ 3,470 by 2027.



GDP Per Capita Comparison – US, China, Indonesia & India
In USD, CY 2022

Country	GDP per Capita
USA	76,350 (INR 6108k)
China	12,810 (INR 1024k)
Indonesia	4,800 (INR 384k)
India	2,380 (INR 190k)

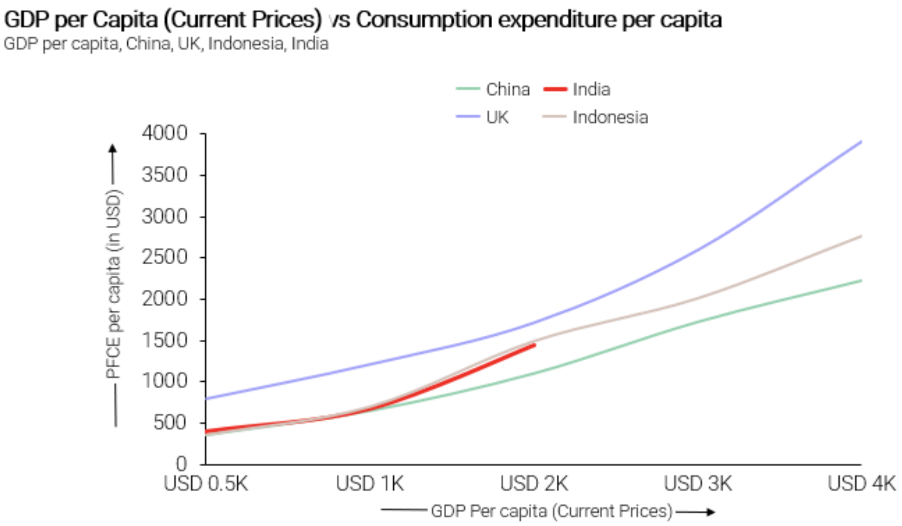
Notes: GDP per capita refers to the country's economic output per person
Source: IMF

In mature economies, crossing the GDP per capita mark of approximately US$ 2,000 has historically signalled an inflection point that indicates an increase in discretionary expenditure.

For instance, when China surpassed the US$ 2,000 mark in 2006, it witnessed significant growth in its Private Final Consumption Expenditure (PFCE is defined as the expenditure incurred by the resident households on final consumption of goods and services, whether made within or outside the economic territory).

The GDP comprises of household final consumption expenditure, general government final consumption expenditure, gross capital formation, and net exports. To estimate the PFCE, all other components are subtracted. Such expenditures are recorded in purchaser prices and include net taxes on products. Deflators for household consumption are usually calculated based on the consumer price index.

India is bound to witness a similar trend, with the current GDP per capita ranging from US$ 2,200 to US$ 2,400.



Notes: The PFCE has been represented respective to the GDP per capita for the first time that the respective economy breached that level. Data for PFCE per capita has been extrapolated when GDP per capita crossed 0.5k
Source: World Bank, Redseer analysis

The consumption of luxury/super-premium goods correlates with GDP per capita. Notably, between 2012 and 2017, China experienced an expansion in its personal luxury goods market, witnessing a growth from US$ 10-12 billion to US$ 20-25 billion, while its GDP per capita increased from US$ 6.3 thousand to US$ 8.8 thousand. Considering the potential for India's GDP per capita to surpass US$ 2,000, there is a possibility for India to emerge as a significant contributor in the global luxury/super-premium market.

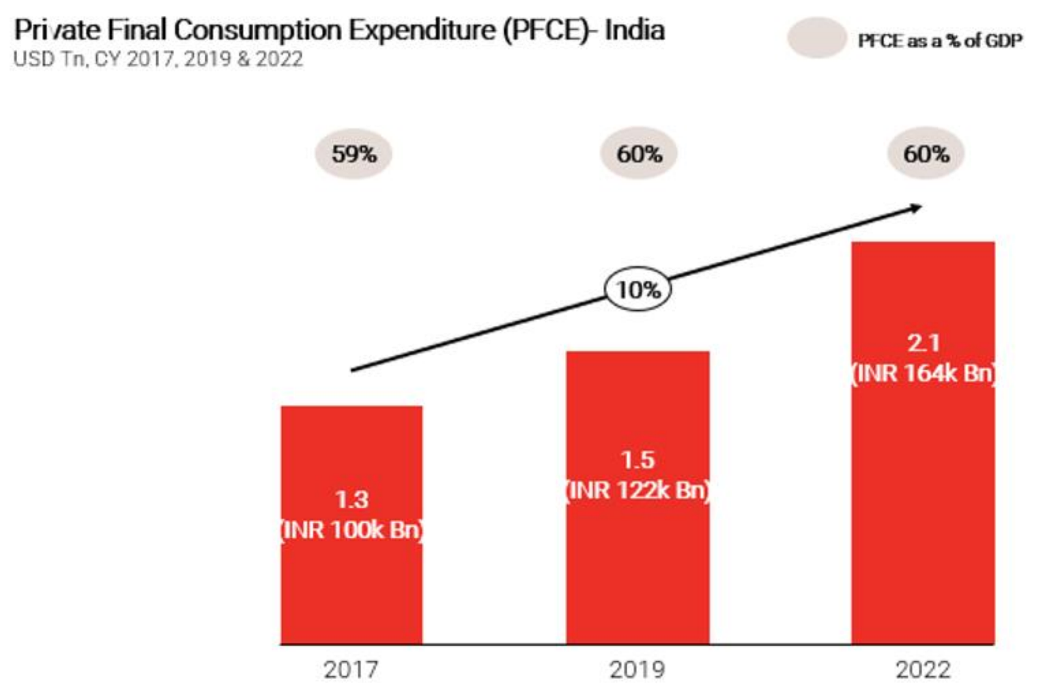
Comparison of personal luxury market vs GDP per capita among emerging markets

	2012		2017		2023	
Country	Personal luxury goods (USD Bn)	GDP per capita (USD)	Personal luxury goods (USD Bn)	GDP per capita (USD)	Personal luxury goods (USD Bn)	GDP per capita (USD)
China[1]	10-12	6.3k	20-25	8.8k	60-65	13.7k
Indonesia[2]	0.7-0.8	3.7k	1-1.1	3.9k	1.2-1.3	5.0k

Notes:
1. China crossed GDP per capita of USD 2000 in 2006
2. Indonesia crossed GDP per capita of USD 2000 in 2008
3. Personal luxury goods include designer apparel & footwear, jewelry, eyewear, leather goods, wearables etc.
Source: World Bank, IMF, Redseer analysis

According to the World Bank, India's PFCE still remains below that of developed nations such as the USA (US$ 16.7 trillion) and China (US$ 7.5 trillion). However, the Indian Budget Report Fiscal 2023 states that PFCE experienced a growth rate of 10% and is projected to reach US$ 2.1 trillion by 2022, constituting approximately 60% of the country's GDP. This highlights the substantial contribution of PFCE to India's overall economic activity.

The growth in PFCE indicates that households have a higher propensity to consume goods and services, reflecting positive consumer sentiment, increasing purchasing power, and rising incomes.

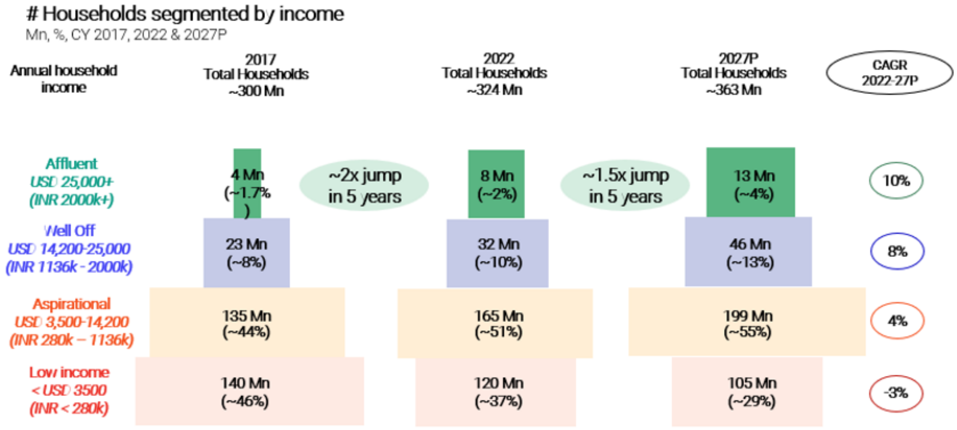


THE GROWING NUMBER OF AFFLUENT HOUSEHOLDS' FUELS RISING CONSUMPTION AND DRIVE LUXURY/SUPER-PREMIUM SPENDING

The total number of Indian households can be broadly divided into four cohorts: affluent, well-off, aspirational, and low-income households.

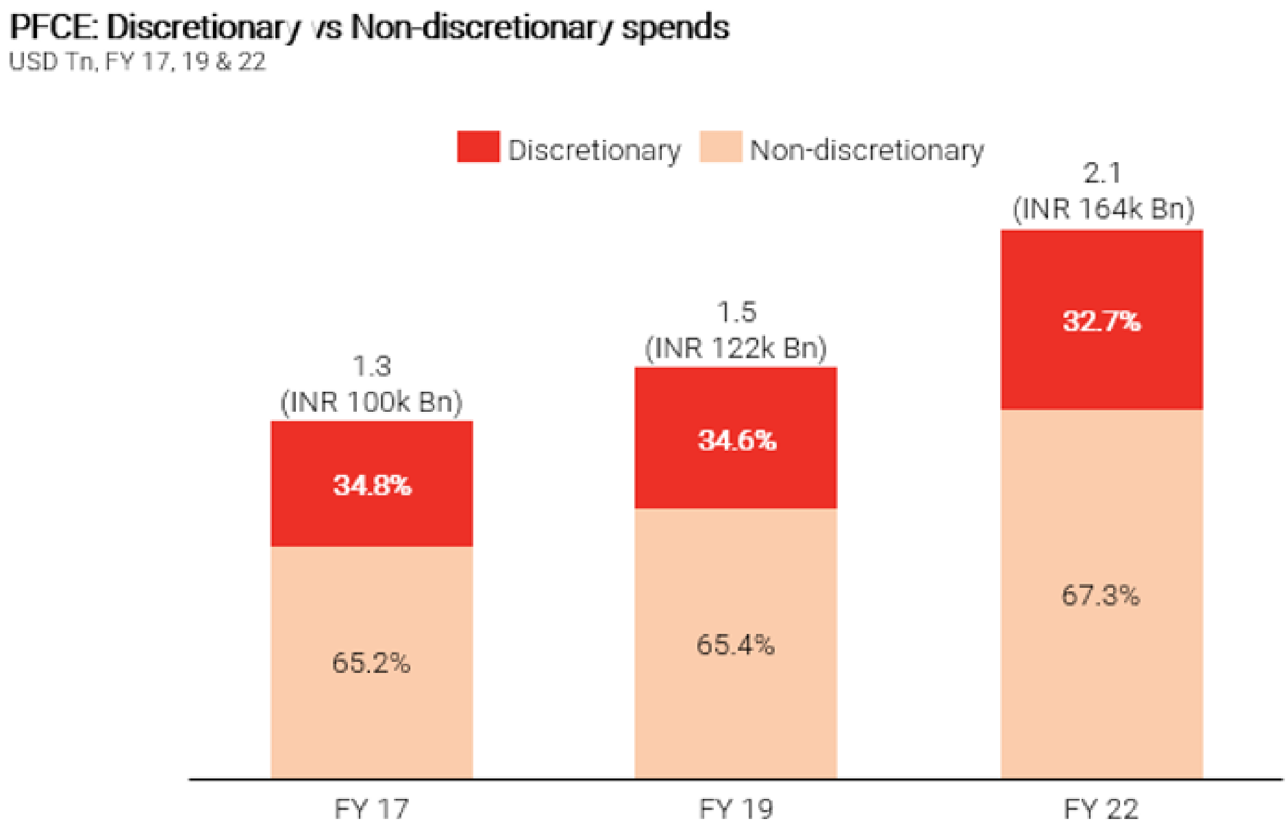
While aspirational households (households with an annual income of US$ 3,500/₹ 0.28 million to US$ 14,200/₹ 1.13 million) form the largest chunk of the population, affluent households (households with an annual income of more than USD 25,000/INR 20 lakhs) which currently represents approximately 2% of the total households is projected to grow fastest, at 10% annually between 2022-27.

During 2017-22, the total number of affluent households has grown approximately 2 times from 4 million to 8 million which depicts a significant jump when compared to other household categories.

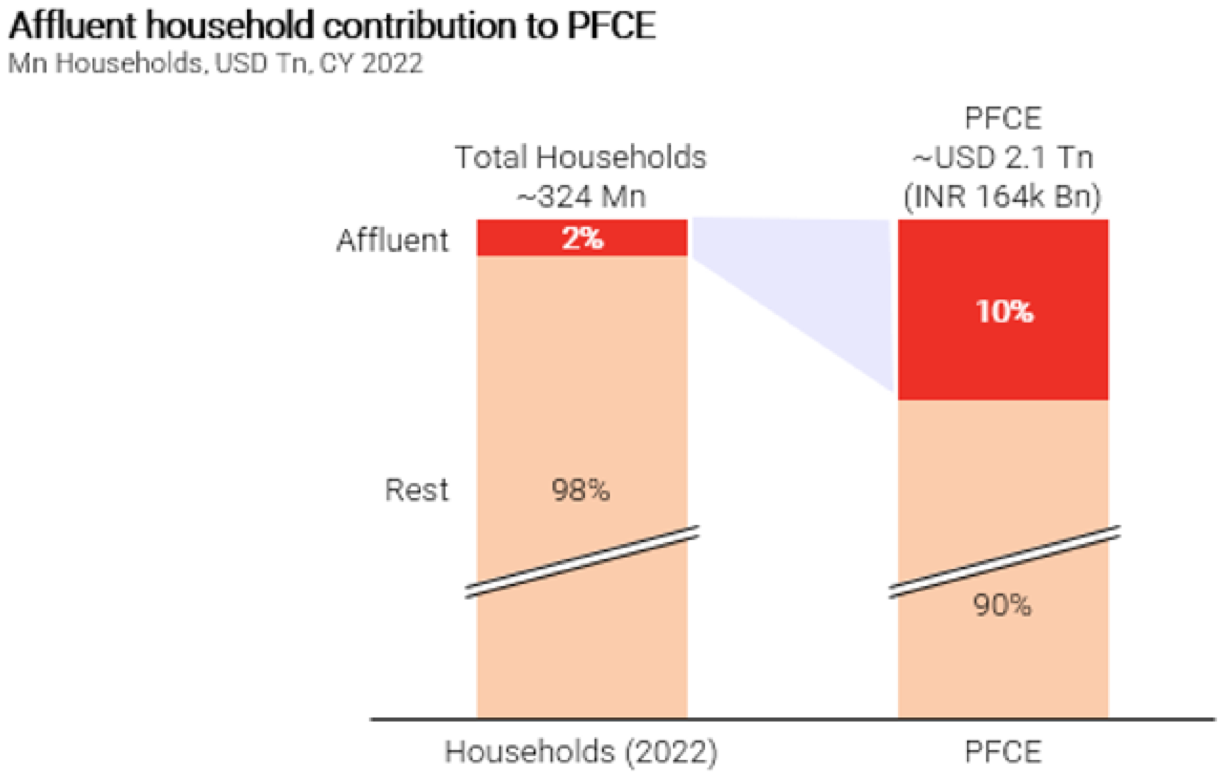


Notes: Annual household income is defined at 2021 prices. Household are split as Affluent, well-off, aspirational, and low Income.
Source: Redseer analysis

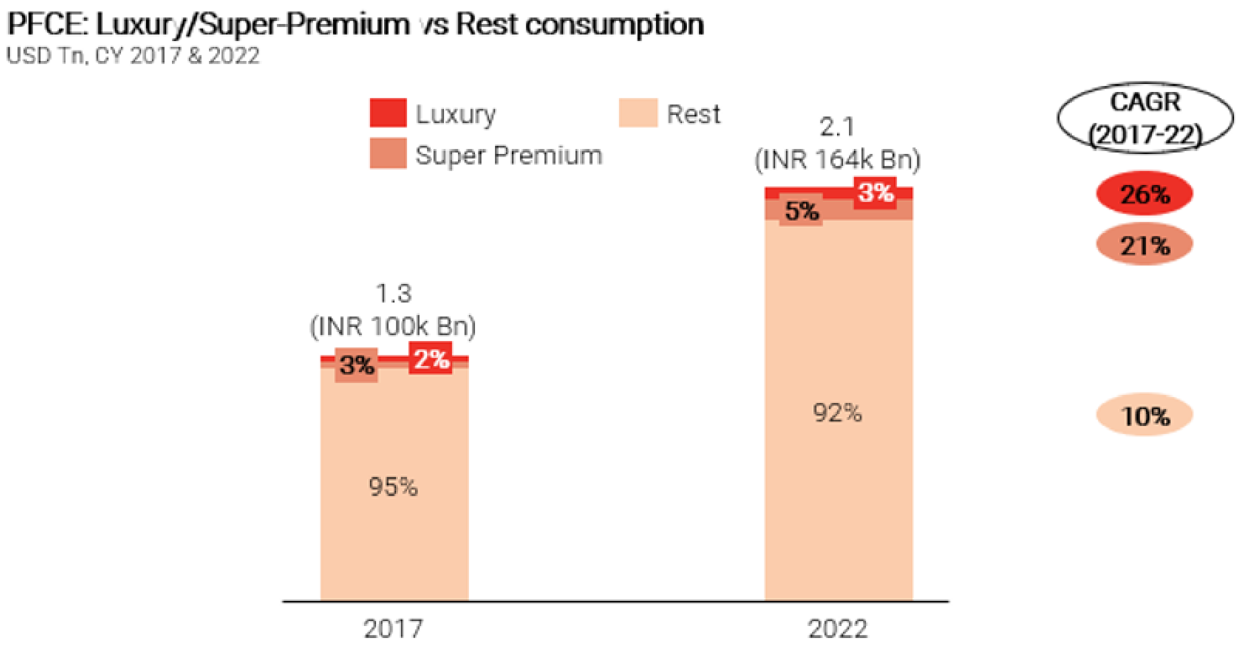
With the rise in household incomes and upward shift in the household pyramid, there is an anticipated increase in discretionary spending as well. This observation is further supported by the growth of discretionary spending in PFCE over the past decade, which has outpaced non-discretionary spending growth. This suggests consumers are spending a large portion of their budgets towards discretionary items and experiences.



Although, affluent households make up only 2% of the total households, they contribute 10% of the total PFCE. This signifies that affluent households have high purchasing power and engage in a substantial amount of discretionary spending. This reflects their ability to indulge in luxury/super-premium goods and services.

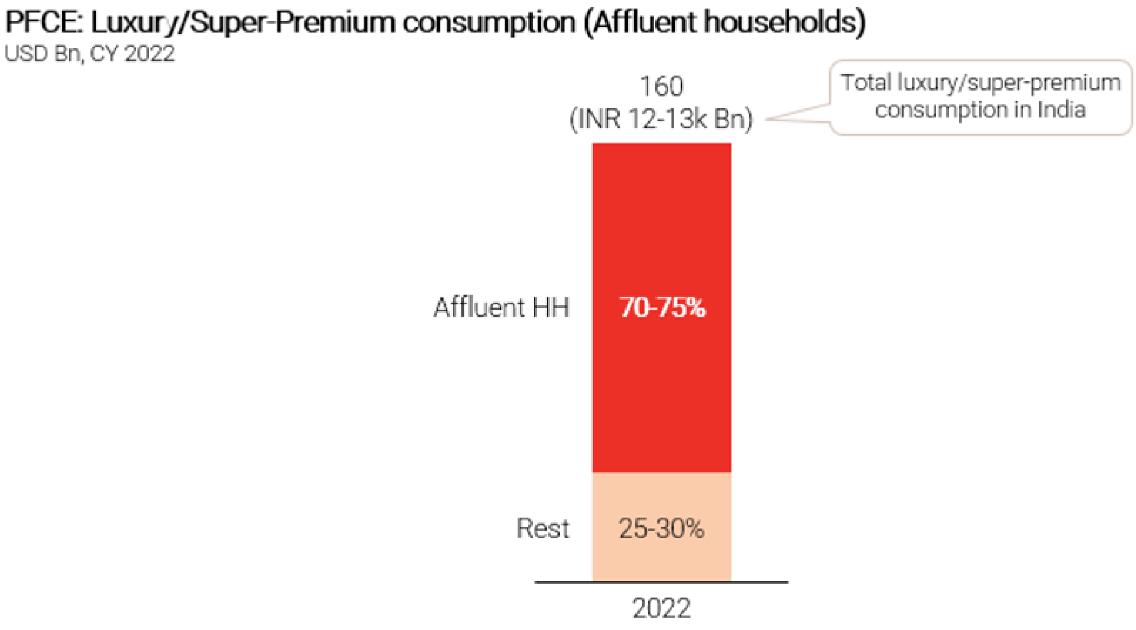


Luxury/super-premium consumption in 2022 accounted for 3% and 5% of the PFCE respectively. Luxury consumption grew at a CAGR of 26% over the last 5 years whereas super-premium consumption grew at CAGR of 21% over the same time.



Source: Redseer analysis

Additionally, affluent households are the drivers of luxury/super-premium consumption in India. These households characterised by their high levels of disposable income & wealth often seek exclusivity luxurious experiences. Affluent households accounted for approximately 70-75% of the total luxury/super-premium consumption in 2022.



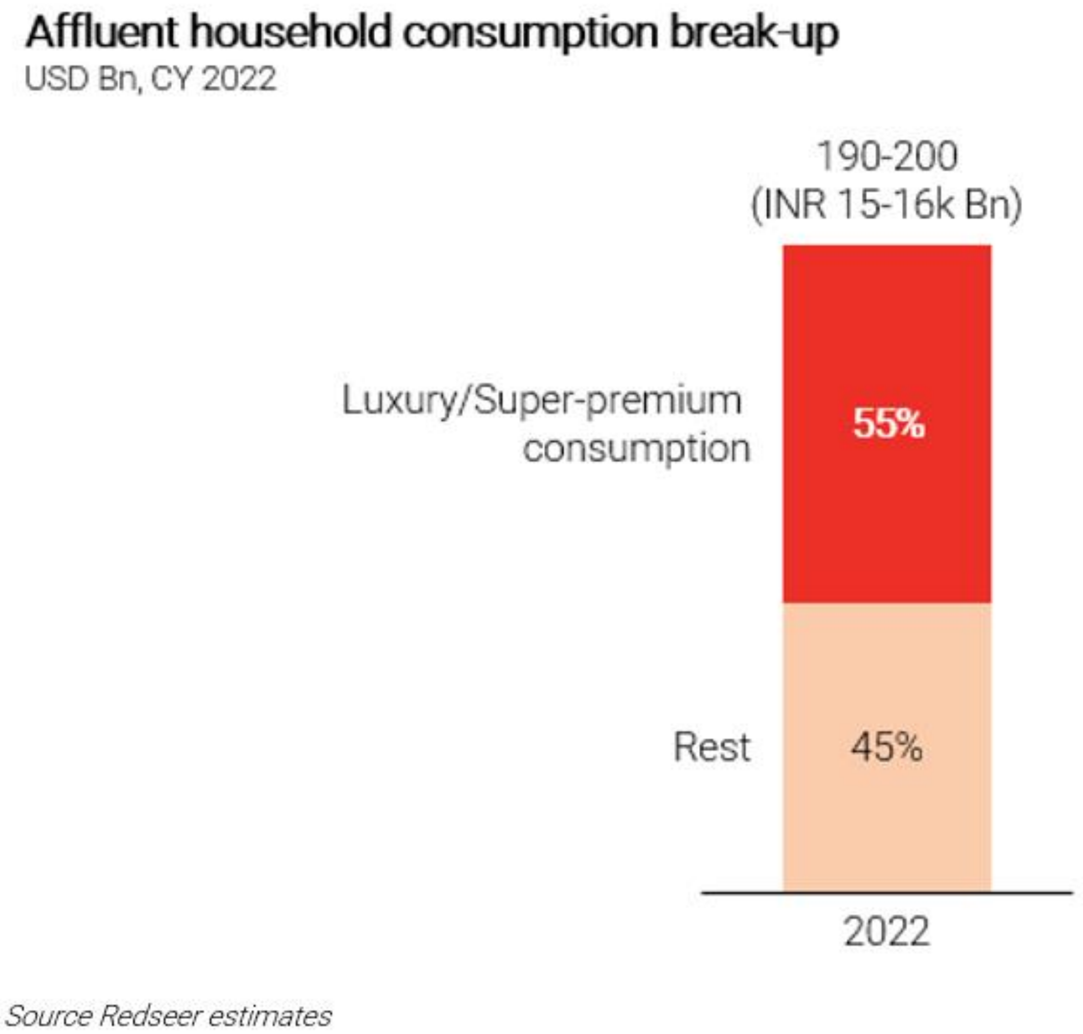
Source Redseer estimates

Drivers of luxury/super-premium consumption: Rising income and aspirational lifestyle

Growing number of affluent households

Affluent households are projected to experience a growth rate of 10% annually between 2022-27, reaching a total of 13 million by 2027. This growth is attributed to various factors, including rising income, access to quality education, increased opportunities, and significant investments. As per Redseer estimates, affluent households drive approximately 55% of the consumption towards luxury/super-premium goods and services, estimated to be US$ 130-140 billion.

Furthermore, the number of ultra-high net worth individuals ("**UHNWIs**") (individuals with a net worth over US$ 30 million) over the next five years, reaching approximately 19,000 individuals by 2027, up from 12,000 individuals in 2022. The population of high-net-worth individuals ("**HNIs**") (with asset values over 1 million) in India rose from around 0.79 million to 0.83 million between 2021 and 2022, whereas the global HNI population experienced a decline of 3.3% in the same year.



Rising disposable income

As the income increases, upward mobility towards higher income group is witnessed among the households, which indicates high consumption. As per Redseer estimates, well-off households increased from 23 million in 2017 to 32 million in 2022 and is further expected to increase to 46 million by 2027. Similarly, affluent households are expected to increase from 8 million (2022) to 13 million by 2027.

As income rises, these households tend to indulge more in discretionary expenditure on high-end products and services.

Exposure to global trends and lifestyles

With the onset of social media and international travel becoming accessible, there has been a rich exposure among the population towards global trends and lifestyle goods. This trend has boosted the awareness among households among luxury/super-premium lifestyle and products, which has also positively impacted the overall luxury/super-premium market.

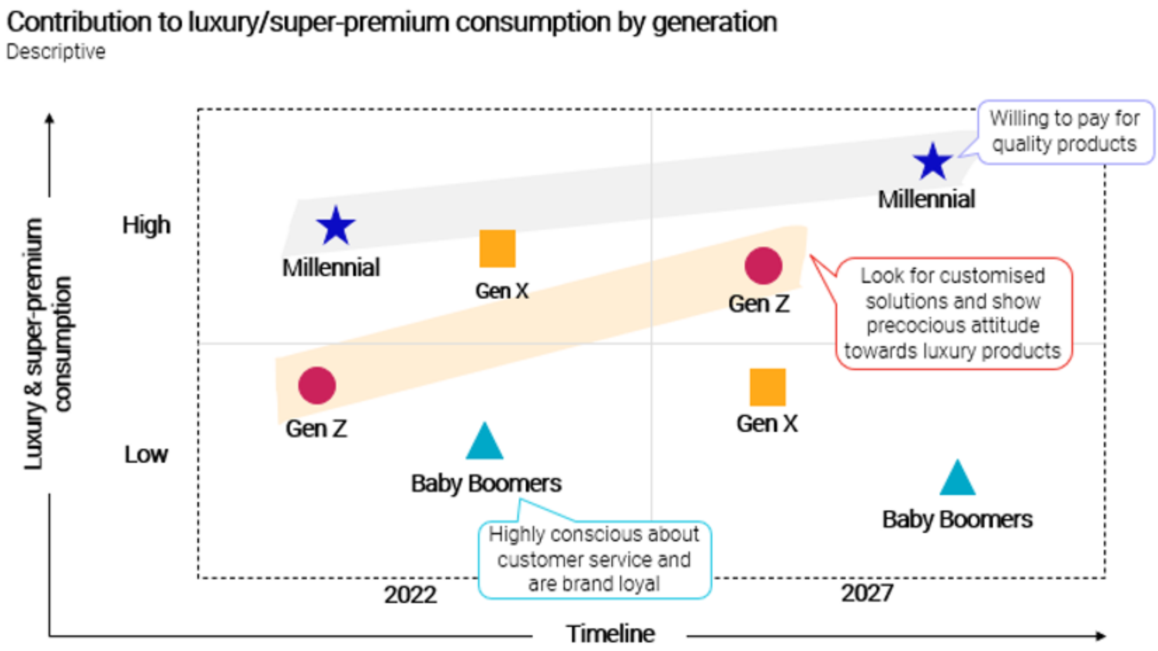
Strong affinity towards personalised luxury/super-premium goods

Individuals have developed a high affinity for luxury/super-premium brands due to its ability to customise products and provide a sense of exclusivity, esteem, and prestige to the consumers. Personalised luxury/super-premium goods also serve as status symbols and help affluent showcase their wealth & social status.

Transition in customer segmentation

There has been a rapid increase in the millennial population (anyone born between 1981 and 1996 ages 25 to 40 in 2021) and Gen Z population (anyone born between 1996 and 2010). These group of population embrace luxury/super-premium products as they prioritise value offered by the products. Also, the rise of accessible luxury/super-premium brands and entry level luxury/super-premium products has made luxury attainable for millennials and Generation Z ("**Gen Z**"). Millennials and Gen Z populations are also digital natives and continuously engage with online content and are expecting highly sophisticated digital experiences. Luxury/super-premium brands have been able to rise to their expectations and always offer experiences that are worth the costs that are associated with the products.

India has the largest population base of Gen Z and Millennials in the world. They offer unprecedented opportunities for brands. They will significantly drive the luxury/super-premium market in the country.



Notes: Baby boomer (born between 1946 to 1964), Gen X (born between 1965 to 1980), Millennials (born between 1981 to 1996) and Gen Z (born between 1996 to 2012)
Source Redseer research

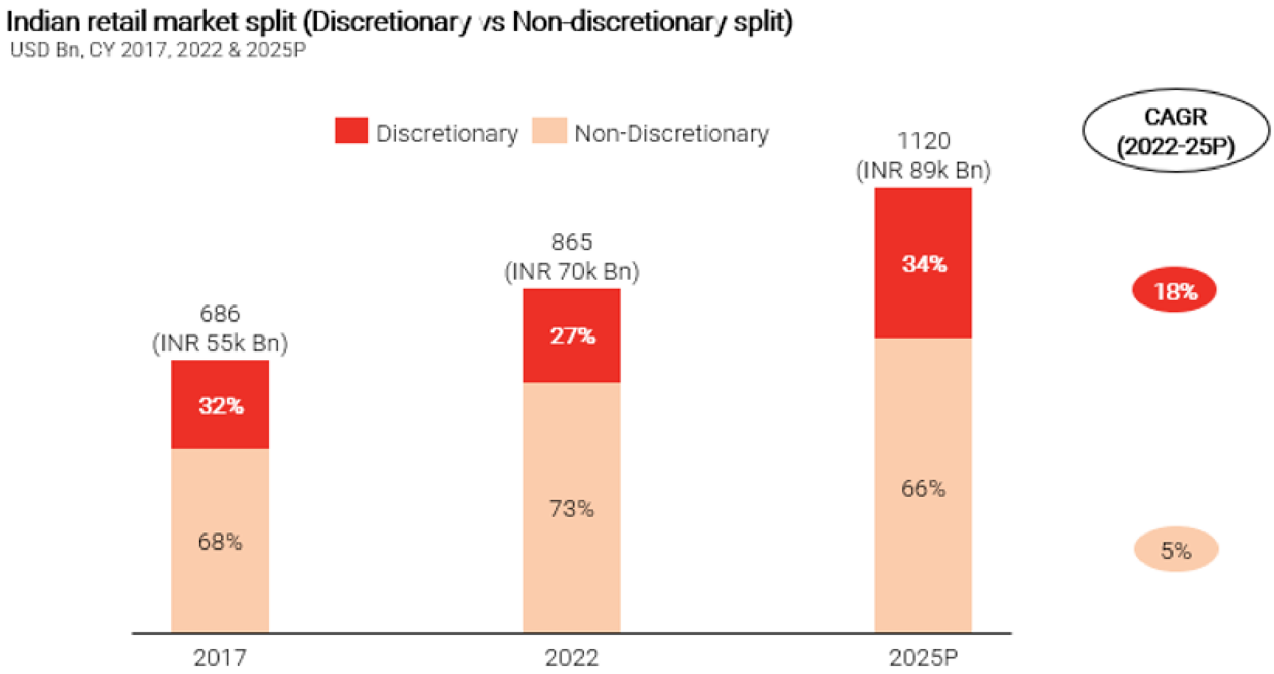
Move towards premiumisation

Consumer landscape has witnessed a notable trend of purchasing premium products with greater frequency. Consumers place a greater emphasis on quality, durability, and the overall value proposition of their purchases. They are increasingly inclined to invest in premium products that offer superior craftsmanship, advanced features, and enhanced performance. By opting for premium offerings, consumers aim to derive long-term satisfaction and value, often outweighing the higher initial cost. As consumers seek to elevate their lifestyles and express their individuality, the demand for premium offerings will continue to grow, shaping the consumer landscape and presenting opportunities for businesses to cater to this evolving trend.

Consumers are embracing luxury/super-premium brands, demonstrating growing acceptance in the market.

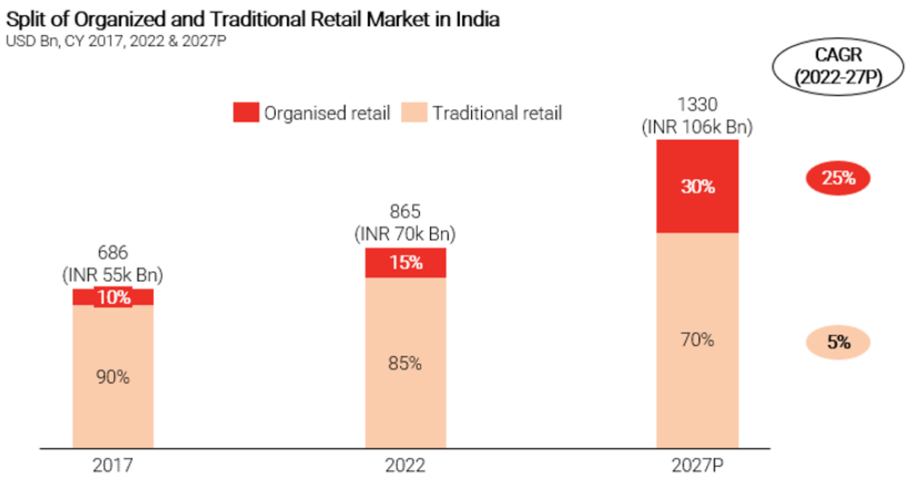
With the growth of the organised retail market, Indian retail is moving towards premiumisation. The discretionary (excluding the essential categories like food, grocery, and pharma) portion of the retail market was sized at approximately US$ 220 billion in 2017. The discretionary retail market saw a sharp decline in 2020 due to covid as spending decreased on non-essential goods. However, discretionary retail has already begun recovering and is projected to grow at a rate of 18%, reaching approximately US$ 381 billion by 2025.

With the rise in discretionary spending, consumers will exhibit a shift towards luxury/super-premium goods. This shift will be driven by several factors, including the need for high-quality products, an affinity for well-established brands, and a desire for personalized and customized goods. As consumers seek enhanced product experiences and exclusivity, the demand for luxury/super-premium items is expected to further grow.



Luxury organised retail to grow at 37% within 2022-2027

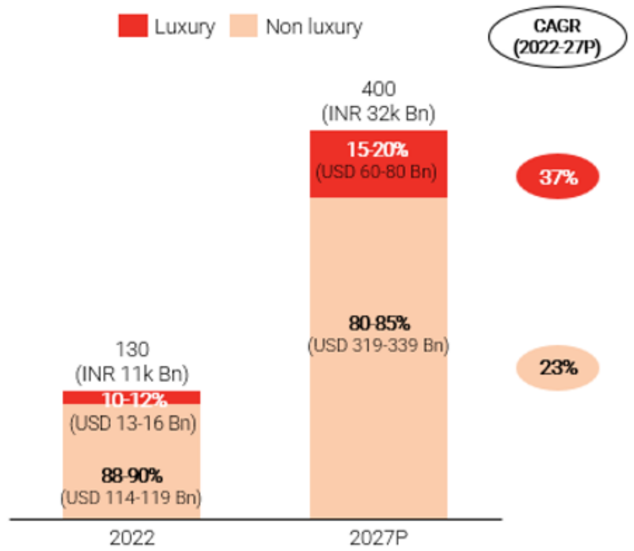
The organised retail market is expected to grow at an expanding rate of 25% annually over the period of 2022-27. By 2027, it is projected to capture 30% of the retail market share, which is twice the market share it held in 2022. This shift is being driven by a rise in disposable incomes and consumers demanding a better shopping experience.



Notes: Organised retail includes sales happening through modern trade, organized brick & mortar, and online marketplace/platforms. Traditional Retail includes sales happening through general trade stores or unorganised kirana stores.
Source Redseer analysis

The luxury market in 2022 represented approximately 10-12% of the organised retail market and is estimated to grow at a rate of 37% over the next 5 years. The emergence of a newly affluent consumer base, a growing desire to consume high-quality products along with increased availability of top-end choices within the country are driving significant growth in the luxury sector in India. Consequently, the luxury sector is also experiencing a surge in activity and investment.

Luxury and Non- luxury organised retail market in India
USD Bn, CY 2022 & 2027P



Note(s): Luxury encompasses various categories, including gourmet food (INR 4500+), fine wines and spirits (INR 10K+), luxury personal goods (Apparels – INR 30K+), high-end furniture and home décor (Sofas – INR 300K+), luxury automobiles (INR 1 Cr +) among others.
Source Redseer analysis

The tier 2+ market is also exhibiting noteworthy capacity to consume and is still largely untapped

Luxury/super-premium brands are experiencing a significant shift in consumption patterns within the Indian tier II+ market as well. HNIs and UHNIs, previously concentrated in metros, are now emerging in tier I and tier II cities nationwide, resulting in a substantial increase in luxury/super-premium expenditures. Luxury/super-premium brands recognise India as a vast market and are witnessing promising outcomes. Despite being in its nascent stage, the market holds immense potential for these brands.

Lamborghini India, the Italian car manufacturer, is actively focusing on customers from smaller Indian cities to boost its sales in the country. The company has initiated multiple programs and actively engaged with customers in over 100 cities nationwide. Among the 50 cities where Lamborghini cars are present, 25% of them are from tier II and tier III cities. Audi India has also experienced a similar trend of sales growth, with a significant emphasis on pre-owned luxury/super-premium cars in tier I and tier II cities.

Few more examples of luxury/super-premium brands in tier 2+ cities can further highlight scope of its growth:

Luxury/super-premium consumer brands: No. of showrooms across city tiers

Brand	Metro	Tier 1	Tier 2+
BMW	24	21	4
Mercedes-Benz	18	27	9
Ethos	40	9	1

Source Redseer analysis, Redseer research as on 05 July 2023 for showrooms which only sells new cars.

Manyavar sales (in %) across city tiers

Brand	Metro/Tier 1	Tier 2	Tier 3
Manyavar	44%	42%	12%

Source Redseer research as of July 2023

According to experts, luxury/super-premium spending in tier 2 cities in India has grown 30 times more compared to tier 1 cities. The luxury/super-premium market has expanded beyond the major metros such as Delhi, Mumbai, and Bangalore. Automobiles, fashion apparels, and jewellery are the prominent categories witnessing significant luxury/super-premium spending in tier II and tier III cities.

Luxury/super-premium consumption has experienced a significant increase across various categories

Indian consumers are continuously being exposed to global trends and lifestyles. This exposure has heightened the awareness among Indian consumers regarding luxury/super-premium lifestyles and products. The increase in sales of luxury/super-premium goods such as fashion, watches, and cars further substantiate this trend. These luxury/super-premium goods act as precursors to true luxury spending and indicate the growing interest and demand among Indian consumers for luxury/super-premium products.

Luxury/super-premium car market

India witnessed an upsurge in the growth of luxury car sales in calendar year 2022 when compared to calendar year 2021. Approximately 35 thousand units of premium cars (cars costing above ₹ 4.00 million lakhs ex-showroom) were sold in 2022. The sale of true luxury cars (cars costing ₹ 20.00 million and above) also experienced a 50% increase over four years. In 2022 approximately 450 units were sold, compared to 300 units in 2021 and 325 units in 2018.

Despite the rise in inflation and recessionary concerns, luxury cars have observed an increase in the units sold in the first quarter of 2023, indicating extensive demand in the market. According to industry experts, approximately 9,500 luxury cars were sold in the first quarter, representing a 10% increase compared to the same quarter of the previous year.

Luxury/super-premium watch market

Demand for luxury/super-premium watches also soared in India in 2022. As per Federation of Swiss Watch Industry, watch distributors in India imported luxury watches worth US$ 200 million rising from US$ 105 million in 2020. Kapoor Watch Co., the Indian retailer of Audemars Piguet, Rolex, Bvlgari, Cartier, Omega, and Tag Heuer brands, among others also saw 50% jump in revenue from pre-COVID days in 2022. The company reported revenue of ₹ 3,400 million in Fiscal 2022 compared to ₹ 2,460 million in Fiscal 2020.

Luxury/super-premium fashion market

India's fashion retail sector witnessed healthy sales growth in Fiscal 2023 driven by an increase in discretionary spending and the normalisation of the pre-covid in-store shopping experience.

Out of the overall growth in the fashion market, the luxury/super-premium fashion segment has seen the most rapid growth, with the entry of newer brands in the Indian market, partnerships and collaborations happening across the value chain and the brands expanding continuously in both online and offline mediums.

Luxury Brand: Operating revenue USD Mn (In INR Cr)

Brand	FY 2021	FY 2022
Louis Vuitton	39.8 (318)	67.5 (540)
Burberry	13.5 (108)	16.5 (132)
Omega watches	50.6 (405)	84.1 (673)
BMW	358.1 (2865)	545.8 (4366)
Canali	3.4 (27.5)	4.8 (38.2)

Source MCA

Air travel

Post pandemic, the airline industry in India experienced a significant rise owing to reasons like changing demographics, transition towards high income category. The number of passengers travelling outside India, witnessed a rebound, almost returning to pre-COVID level, reaching 57 million in Fiscal 2023. With airports proliferating across India at a high rate, airline industry has become more convenient and easier to access. The count of airports in India also rose from 74 in 2014 to 148 in 2023.

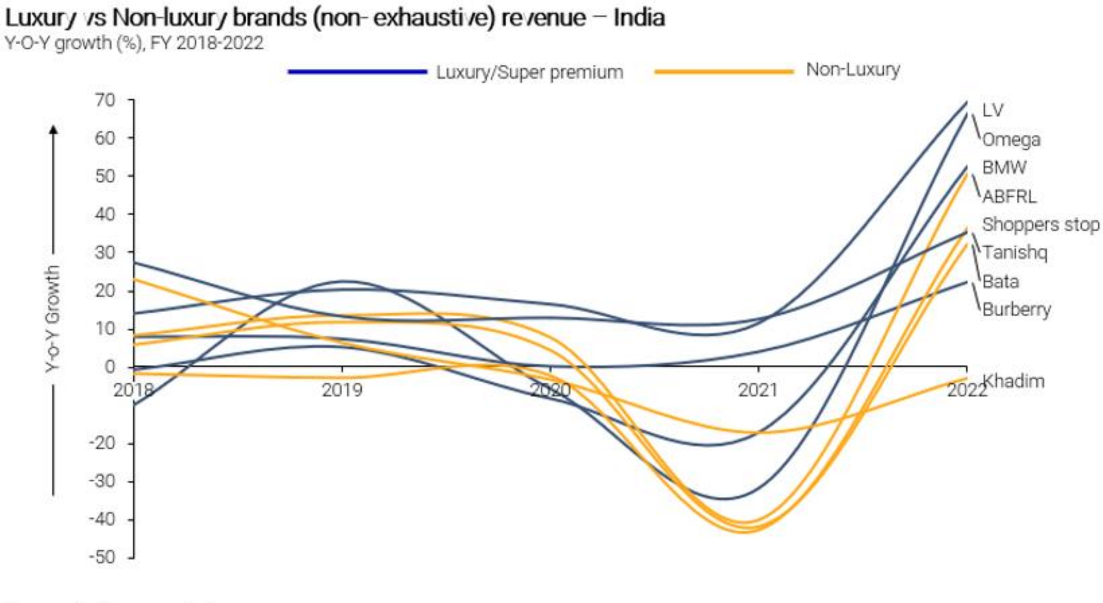
No. of international travellers in India

No. of passengers (In Mn)	FY 17	FY 19	FY 21	FY 22	FY 23
International travel	60	70	10	22	57

Source: Airport Authority of India

LUXURY CONSUMPTION DEMONSTRATES PROMINENT RESILIENCE IN FAST-GROWING ECONOMIES LIKE INDIA

Luxury/super-premium brands showed great signs of recovery following the impact of covid-19. While the pandemic disrupted the retail industry and consumer spending patterns, the luxury/super-premium sector has demonstrated resilience and adaptability. Non- luxury/super-premium brands experienced a more pronounced decline during the COVID-19 pandemic, and their recovery has been comparatively sluggish when contrasted with luxury/super-premium brands.



Source: Redseer analysis

THE PROCESS OF BUILDING A LUXURY/SUPER-PREMIUM RETAIL BRAND DIFFERS FROM A MASS BRAND

Luxury/super-premium brand focuses on meticulously curated offerings with a greater scope of customisation in a limited range of products in visually aesthetic stores and high-quality ambiance whereas non-luxury/super-premium brands prioritise encompassing a larger variety of products to cater to a broader range of customers.

Categories	Fashion brands	Avg. store area (In sq. ft)	SKU's	Area for 1 SKU (In sq. ft)
Luxury/super-premium	Sabyasachi	15,000-18,000	100-150	120
Premium	H&M	15,000-17,000	250-300	62
Masstige	Zudio	8,000-10,000	2100	3.8
Mass	V-Mart	8,000-12,000	6300	1.3

Source: Redseer analysis

Luxury/super-premium brands actively prioritize exceptional customer experience and service by providing personalized shopping experiences in every customer transaction. They place a strong emphasis on craftsmanship to ensure the delivery of superior products. These brands actively establish experiential stores that engage customers' senses and provide a tactile experience.

Regarding after-sales service, luxury/super-premium brands majorly focus on offering personal assistance to customers, including extended warranties. They also provide access to loyalty programs and exclusive events to keep customers updated on upcoming trends and products.

Retail format- Luxury/super-premium vs non-luxury brands

Category	Luxury/super-premium brands	Non-luxury brands
Product assortment	Curated & limited selection	Large variety of products
Display	Visually appealing & high-quality presentation	Functional & cost effective
Retail store layout	Physical stores with aesthetic appeal & elegant store layout	Prioritising efficiency to keep more products in limited space
Shopping experience	Personalisation & sense of exclusivity	Casual & relaxed
Customer service	Attentive & dedicated focus on customer	Helps in navigation across store and Q&A
After-sales service	Personalised assistance, extended warranties, access to loyalty programs or exclusive events	Standard warranties & return policies
Marketing	High end magazine & exclusive events	Digital platform & mass media

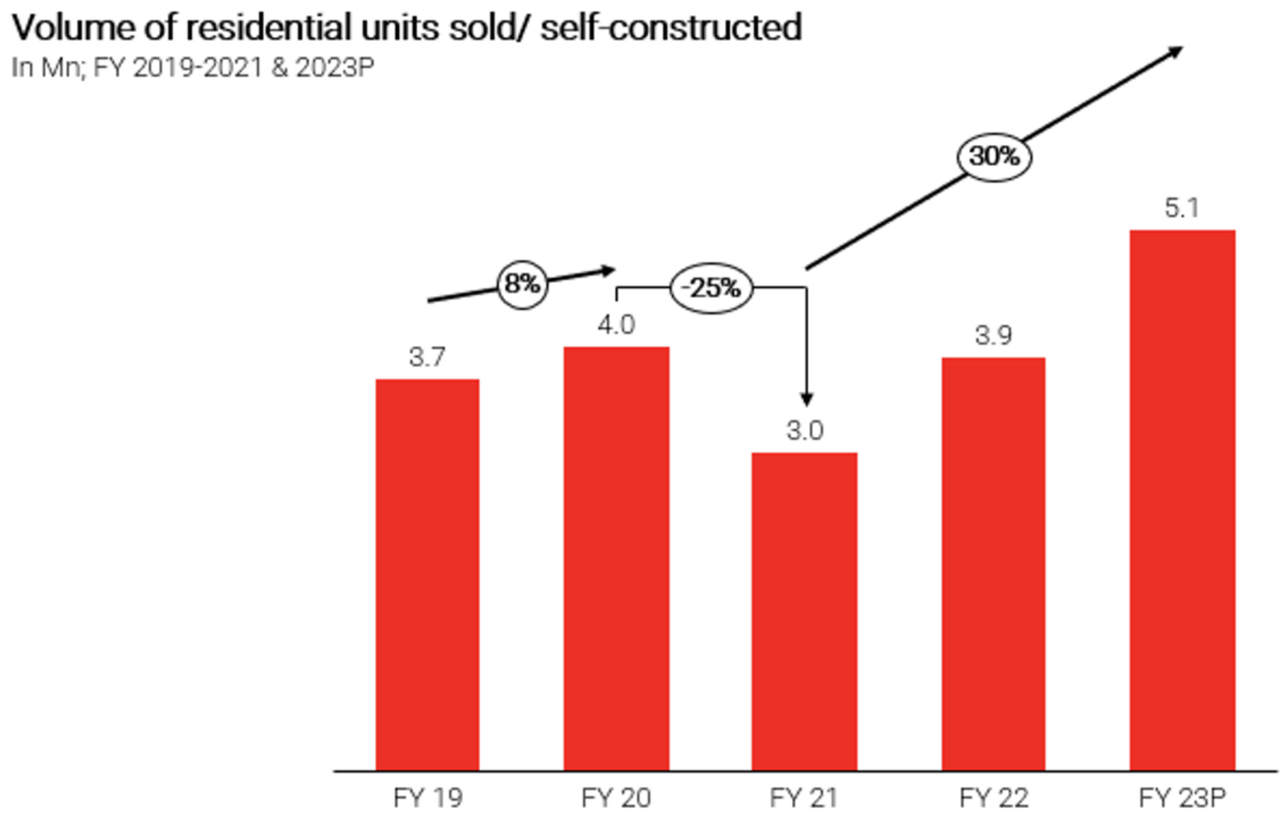
Source: Redseer analysis

INDIAN REAL ESTATE MARKET: A TAILWIND OPPORTUNITY

Luxury/premium real estate has rebounded and is demonstrating robust growth

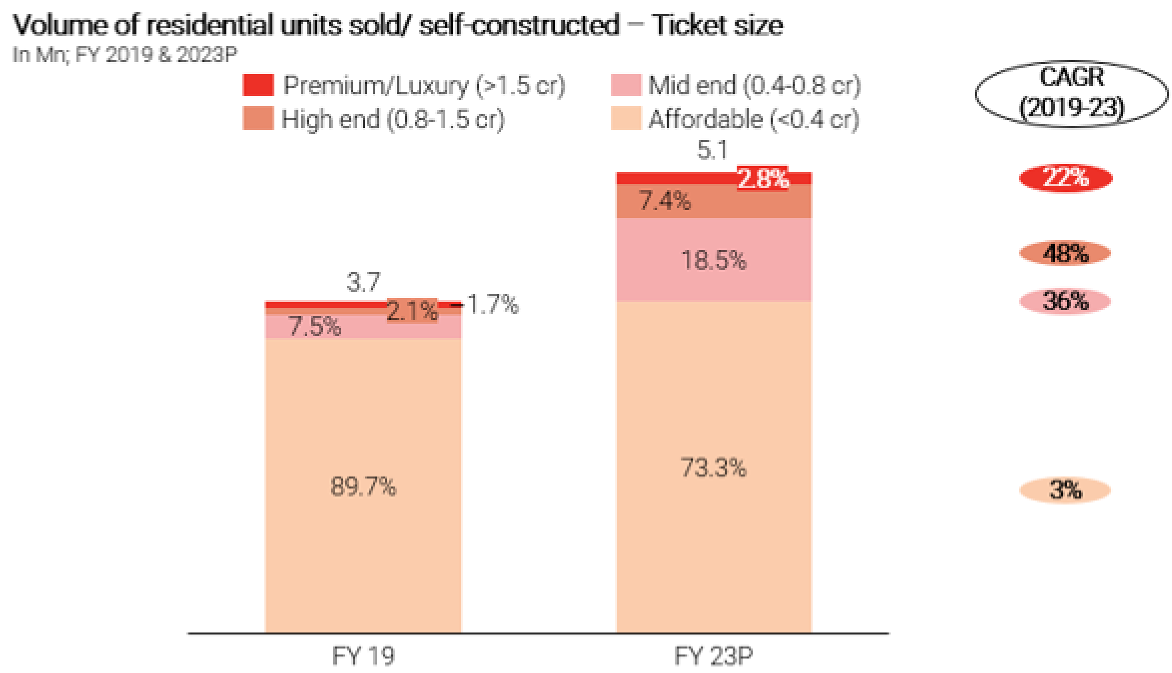
The real estate market in India is one of the fastest-growing segments. While China and the US experienced a significant dip due to high mortgage prices and unaffordability caused by COVID-19, India recovered from the fall in a very short span, much before the global economy. The rise in affordability has significantly impacted the residential real estate market, with Indian cities experiencing a continuous increase in the affordability ratio, which measures the income-to-cost ratio for purchasing residential properties. The pent-up demand among potential homebuyers also acted as a catalyst in the recovery of the Indian real estate market.

India is expected to witness an increase in the number of residential units sold/self-constructed, growing at a rate of 30% during the period Fiscal 2021 - 2023. As per Redseer estimates, India saw 5.1 million units sold or self-constructed in Fiscal 2023. This growth represents a compound annual growth rate (CAGR) of around 30% following the post-COVID-19 period.



Notes: Volume of residential units includes flats/ residential units/ self-construction across rural and urban India
Source: Redseer estimates

India has witnessed significant growth in residential properties, especially mid end, high end, and luxury/premium properties, which clearly indicates a higher demand for holistic living among buyers. Share of luxury/premium properties has increased from 1.7% of the total housing sales/construction to 2.8% from Fiscal 2019 to Fiscal 2023 with a growth rate of 22%.



Source: Redseer estimates

Government of India ("GoI") initiatives have boosted Indian real estate market

India has implemented various reforms to address various challenges in the real estate market and promote transparency in the industry and help grow the market further. These changes aim to make positive changes and instil confidence among stakeholders.

Real Estate Regulatory Authority (RERA) Act, 2016
By regulating the real estate sector, RERA brought transparency into the system and protected home buyers, building confidence and trust in the minds of various stakeholders, including NRIs, FIIs, first-time buyers, and frequent buyers, which in turn led to increased investments in the real estate segment. It mandates the registration of all real estate projects and ensure transparency in project timelines, pricing and quality standards thereby increasing consumer confidence.

Insolvency & Bankruptcy Code ("IBC")
It facilitates a streamlined and time bound resolution process for stressed real estate projects. It enables completion of unfinished projects and safeguards the interests of homebuyers and investors.

Benami Transaction Prohibition Act
The Benami Transaction Prohibition act aims to curb anonymous transaction in the real estate. It has strengthened the legal framework to prevent holding of property under fictitious names.

Goods and Services Tax (GST)
The implementation of GST has brought enormous relief to the real estate sector by introducing a single tax in place of multiple taxes such as service tax, VAT, and many more. Such a move has boosted the growth of the real estate industry by lowering the cost of residential and commercial properties. The tax system allows the developers to claim the input tax credit on items like cement, labour, bricks, etc. used in the construction of the property.

Pradhan Mantri Awas Yojana
The Pradhan Mantri Awas Yojana ("**PMAY**") is a government-led initiative actively providing affordable housing to the masses. The scheme has significantly bolstered the real estate sector, leading to a substantial increase in the demand for housing and generating employment opportunities in the construction industry. PMAY has effectively made homeownership more affordable, resulting in heightened housing demand and increased home sales.

Land ownership digitisation initiative
The land ownership digitisation initiative in India is a flagship programme of the Digital India Land Records Modernisation Programme (DILRMP). The programme has three main components: digitization of land records, computerization of land records, and integration of land records. The land ownership digitisation initiative has a number of benefits, including improved transparency and accountability, reduced transaction costs, increased access to credit, and improved land management. The programme has been implemented in all states and union territories of India and is expected to be completed by March 2026.

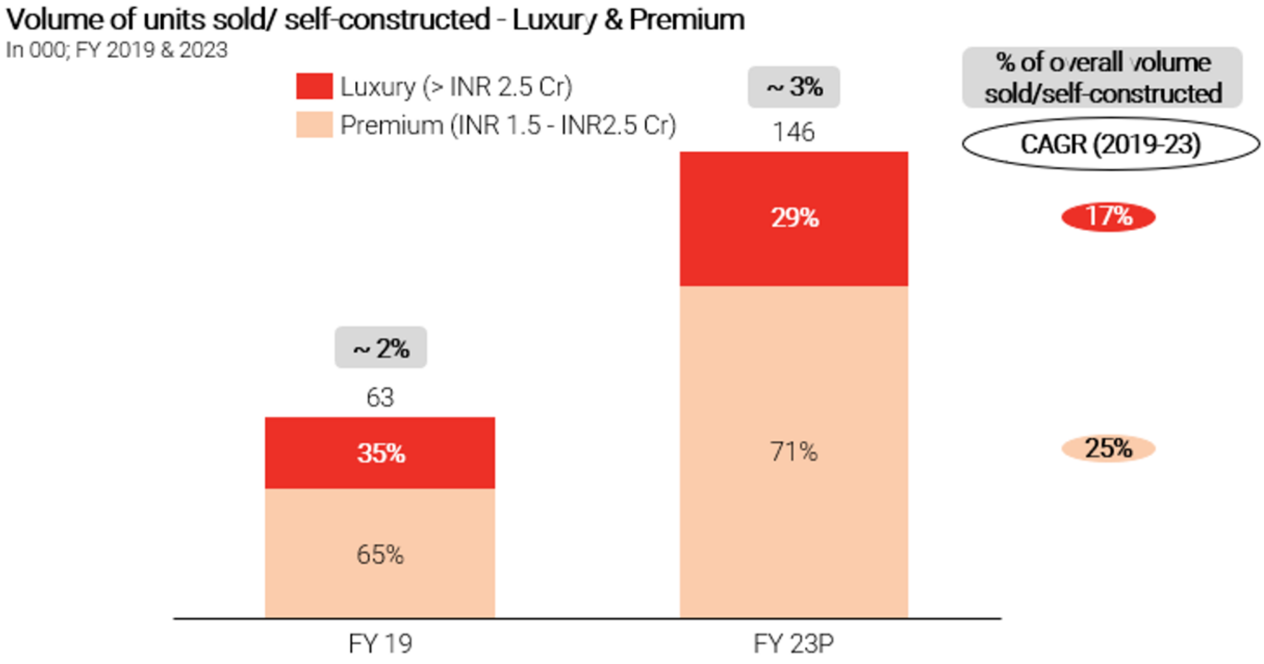
FDI reforms
The government has also relaxed FDI norms in the real estate sector to attract foreign investments. This has allowed increased FDI inflows into the country and relaxed exit norms. A surge in FDI was seen in 2022 due to the depreciation of the Indian rupee (approximately 12% fall in the year 2022). This increased savings of the NRIs thereby propelling them to invest in mid-income to high-end real estate properties.

RBI estimates that FDI grew at a rate of more than 50% during Fiscal 2022, reaching US$ 3.3 billion. Among the total investments of US$ 10.6 billion during Fiscal 2019- 2022, the office sector, followed by the industrial & logistics, and residential sectors, claims the largest share in terms of overall investments.

GROWTH OF THE LUXURY/PREMIUM REAL ESTATE MARKET

Despite high house loan rates, there is a surge in home sales. Furthermore, the Indian economy is witnessing a rise in disposable income and an increasing number of HNIs and UHNIs, thereby paving way to housing upcycle. As a result, there is an observable trend towards luxury/premium housing properties.

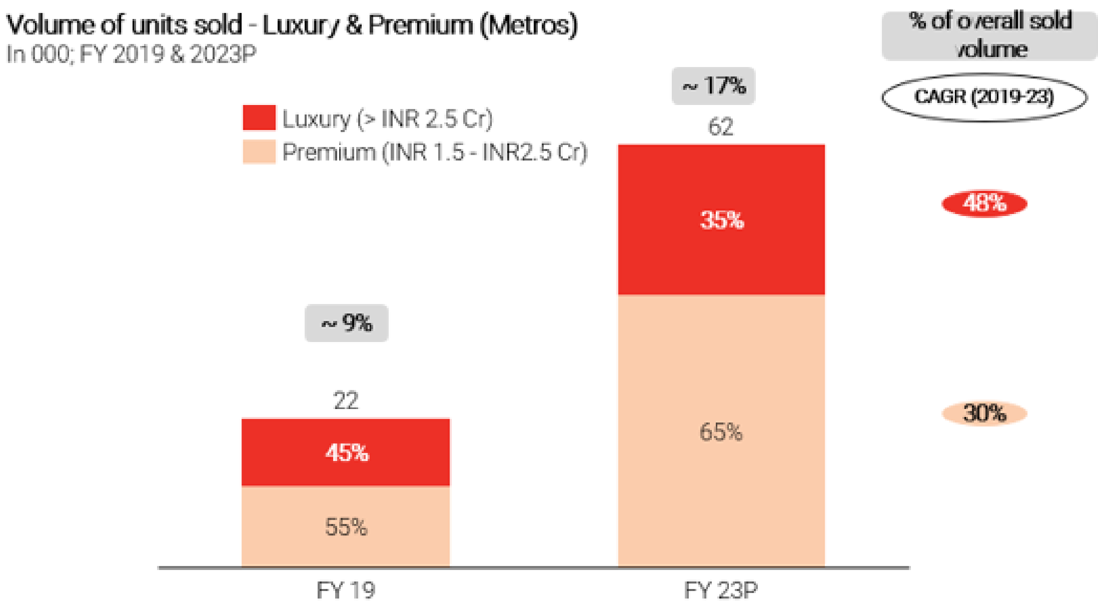
Since 2019, significant growth is witnessed in luxury/premium properties compared to affordable properties which grew at a CAGR of 3% from Fiscal 2019 to Fiscal 2023, clearly indicating a higher demand for holistic living among buyers. Luxury/premium housing units witnessed a growth rate of 17% and 25% respectively between Fiscal 2019 and Fiscal 2023. Luxury/premium housing units' contribution to total number of units sold or self-constructed also increased from approximately 2% in Fiscal 2019 to approximately 3% in Fiscal 2023.



Notes: Volume of residential units includes flats/ residential units/ self-construction across rural and urban India. A large share of luxury real estates in non-metro cities happens via cash transactions and is unreported.
Source: Redseer estimates

Pent-up demand has compelled suppliers to increase the supply of ready-to-live luxury/premium housing units that surround different amenities and feature beautiful designs. Moreover, these suppliers have started opting for land parcels which were either a part of their land banks or being acquired for residential developments. As a result, HNIs, UHNIs, and NRIs have shown bullish attitude toward investing in the luxury/premium real estate market. Additionally, builders/developers further drive the growth of the luxury/premium real estate market through exceptional service and discounts offered, acting as an impetus.

Metro cities are witnessing a tremendous increase in the number of luxury/premium residential units, despite good growth being observed in tier 1 and tier 2+ cities due to factors such as better connectivity, and improved infrastructure. The changing mindsets of consumers towards home aesthetics, where they now demand larger spaces with technologically advanced facilities, are driving the rise in luxury/premium residential units in the metro cities. Between Fiscal 2019 and Fiscal 2023, luxury/premium unit sales within metro cities experienced a growth rate of 48% and 30%, respectively.



Source: Redseer analysis, Anarock

In Fiscal 2023, luxury/premium real estate experienced a growth of up to approximately 10 times in the seven metro cities. Among these cities, Mumbai witnessed the highest sales of luxury/premium real estate, with approximately 31 thousand units sold. NCR (National Capital Region) and Bengaluru followed with sales of 9 thousand and 6.5 thousand units, respectively.

Mumbai and NCR are the top 2 metro cities which have the highest number of inventories.

Luxury & premium real estate pipeline and inventory- Metros
Volume in '000, FY 19 & 23

Cities	FY 19		FY 23		FY 19	FY 23
	Sales	Inventory	Sales	Inventory	# Sales + Inventory	# Sales + Inventory
Mumbai	12.9	52.0	31.1	53.9	64.9	85
NCR	2.3	20.0	9.0	22.2	22.3	31.2
Bengaluru	3.7	15.2	6.5	14.3	18.9	20.8
Hyderabad	2.0	0.9	7.2	7.8	2.9	15
Pune	0.5	2.9	4.8	3.4	3.4	8.2
Kolkata	0.5	2.5	1.6	1.5	3	3.1
Chennai	0.3	2.4	1.8	2.7	2.7	4.5

Notes: Metro cities include Mumbai, NCR, Bengaluru, Hyderabad, Pune, Kolkata, and Chennai
Source: Redseer analysis, Anarock

Real estate developers – Value and unit sold snapshots

Builder	City	Context	Value (in Cr.)	Units	Article snapshot
Emaar	Gurgaon	Project Digi homes with apartments above 1.5 Cr	1.7-4.05	526	Emaar introducing Digi Homes, A Luxury Living Homes in Sector 62 Gurgaon
Oasis Realty (Oberoi)	Mumbai	Apartments worth more than 50 Cr	50-75	284	India's biggest apartment deal? 23 luxury homes in Mumbai sold for Rs 1,200 crore
DLF	Gurgaon	1137 apartments sold (received 3000 applications) at $869000 (INR 7 Cr)	6.9+	1137	DLF sells 1,137 flats for over Rs 8,000 crore within three days in Gurugram
Sugee Developers	Mumbai	Residences worth more than $1.7 Mn (INR 13.6 Cr)	11.5-22.3	135	In Mumbai, Sugee Developers last week published front-page advertisements offering sea-view residences starting at US$1.7 million in a development that will have an amphitheatre, landscape gardens and a sky deck lobby.
Godrej	Delhi	Project in Connaught place, 17 out of 46 sold (Apartments worth $2-3.3 Mn (INR 16 to INR 26.4 Cr)	16-30	46	Godrej's "Connaught One" project near central Delhi's premier shopping district is offering apartments for US$2-US$3.3 million, on par with a good class bungalow in parts of the city.
Lodha Group	Mumbai	Sold apartments worth more than 50 Cr	Not available	36	"Lodha Malabar: The New King of Mumbai real estate"
Lodha Group	Pune	Developing a luxury residential project in Pune with potential of 2.5-3 lakh sq. ft.	1.1+	550	Lodha Group unveils high-end luxury project in Pune

Notes: Metro cities include Mumbai, NCR, Bengaluru, Hyderabad, Pune, Kolkata, and Chennai
Source: Redseer analysis

The growing demand for the luxury/premium real estate market is evidenced by the high revenues earned by luxury/premium real estate developers. Builders/Developers have already achieved revenue levels equivalent to pre covid. Lodha group for example did a presales revenue of ₹ 96,112 million in Fiscal 2023 compared to ₹ 57,716 million in Fiscal 2021.

DRIVERS OF THE LUXURY/PREMIUM REAL ESTATE MARKET

The luxury/premium real estate market has grown exponentially during the last couple of years and various reasons attribute to this uptrend.

- **Nesting instincts**
  The cultural influence of Indians, preferring to have homes (nesting instinct) at an early stage in life, contributes to the boost in the volume of real estate units sold/self-constructed. The phrase "Roti, kapada, and makan" (Bread, clothing, and shelter) significantly shapes the Indian mindset, paving the way for the desire to own a home as it provides a sense of belonging and permanence. The young population (26-35 years of age) actively drive the growth of the luxury/premium real estate markets as they view buying property as a long-term investment. Their lifestyles differ from older generations, making them more receptive to lifestyle-centric options and inclined to invest in a home and start families.

- **Investment opportunity**
  UHNIs and HNIs see luxury/premium real estate as a good investment opportunity. They have been the driving force

behind the upswing and are using the beneficial environment to buy assets for home upgrades. Its value also appreciates over time and offers a good rental opportunity to its investors.

- **Second homes to HNIs, UHNIs, and NRIs**
  NRIs are increasingly allocating their resources to acquire luxury/premium properties in India as their second homes. The housing segment saw a 33% increase in NRI investment in 2021 compared to 2020 given rupee has declined significantly against the US dollar.

  HNIs and UHNIs also seek to invest in properties that are away from the hustle and bustle of the city. The second home not only acts as a place to reside but also offers an opportunity to earn significant returns over some time. Considering the boom in the Indian real estate market, the homes also offer a high resale value, making it an attractive investment option.

- **Improved lifestyle**
  The demand for luxury/premium homes has witnessed a surge due to consumers' growing preference for enhanced safety and security. Luxury/premium homes provide the safety and security of gated communities along with the availability of numerous amenities that promise an improved lifestyle. Consumers prefer living space with greener surroundings and want to enjoy blend of urban conveniences and natural living.

LUXURY/PREMIUM REAL ESTATE CONSUMERS ARE SHOWING A GROWING INTEREST IN DIVERSE TRENDS

- **Surge towards branded/A-graded luxury/premium housing**
  A growing trend is witnessed towards branded/A-graded developers who cater to the interest of the consumers by providing multiple facilities, timely delivery and are considered safe. As a result, homebuyers tend to opt for branded/A-graded luxury/premium developers due to their execution and timely delivery track record.

  Technological advancement has too paved the way for ultra-luxury/premium residences. Branded/A-graded luxury/premium residences include the finest accoutrements, luxe bathroom fittings, Italian flooring and centrally air-conditioned towers with electronic access control, dedicated concierge services.

- **IoT-enabled home automation**
  A shift is seen towards homes that are fully equipped with technology. IoT-based homes allow homeowners to remotely control and monitor their homes, enhancing both security and convenience.
  Luxury/premium home developers now integrate innovative technology such as smart mirrors, sensors, temperature-based gardens, voice-activated curtain controls, automated lighting, etc. Such inclusion of IoT boosts the overall luxury/premium experience and has become a recent trend in the sale of luxury/premium households.

- **Younger population driving demand for luxury/premium housing**
  A large share of the elevated demand for luxury/premium households in the Indian real estate market is from the younger population (26-35 years age group). The younger and more skilled population has a higher level of income and exposure to global living standards which tends to opt for lavish home designs with the most up-to-date features and access to amenities.

  There has been a lot of investment in acquiring dream homes and the trend is expected to continue, which will further grow and expand the market.

- **Hybrid work culture with dedicated workspaces**
  The COVID-19 pandemic has prompted people to desire a flexible lifestyle, driving them to actively seek spacious homes with dedicated workspaces to effectively manage their work and personal lives. The work-from-home culture has created a need for larger and more spacious homes, resulting in an increase in spending on lifestyle products. New home buyers are actively searching for luxurious homes with multiple features to enhance their comfort and productivity while working from home. Furthermore, the overall population now perceives housing as an investment rather than merely a necessity.

- **Increasing traction towards gated communities**
  The Indian real estate market is experiencing a rising trend towards gated communities. According to Redseer estimates, in calendar year 2021, 16 million households resided in gated communities, and this number is projected to reach 24 million households by CY 2026. By calendar year 2026, approximately 43% of the overall households in the top 50 cities will choose to reside in gated communities. The growth of gated communities in India is driven by factors such as the need for safety and security, access to amenities like 24-hour electricity and water availability, premium facilities such as swimming pools and gyms, and a sense of community. The luxury/premium segments currently account for 14-15% of the overall gated communities, and this is expected to increase to 16-17% by calendar year 2026, as affluent households prefer gated communities and developers cater to their specific needs.

- **Increase in non-furnished luxury residential sales**
  There has been a shift in the overall trend for homeowners preferring to buy bare shell units of luxury residential units as

the luxury homeowners have their own mindset and views towards interiors and would want to reflect their sensibilities towards the designs and furnishings. This trend has resulted in a boom in furniture and furnishing market wherein bespoke and customised furniture and interiors are preferred.

- **Home loan disbursement**
  The growth of residential loan disbursement over the years has also fuelled consumer preferences for luxury/premium residential units. The availability of home loans with easy EMI options, combined with the cultural instinct to own a house, has facilitated an increase in unit sales. Furthermore, the tax benefits received on housing loans, including deductions on both principal amounts and interest payments, have further incentivized Indians to invest in residential properties.

THE FURNISHING MARKET LIKELY TO BE DIRECT BENEFICIARY OF THE SURGE IN DEMAND FOR REAL ESTATES

The growth in real estate market is closely tied to the growth of home furnishing market. As real estate grows so does the demand for home furnishing. It is to note that, on an average, approximately 20-25% of the total cost of acquiring a household is spent on home furnishing which is a substantial amount considering the growth in the residential real estate sales and how the consumers are shifting towards buying multiple residential units. Other allied factors boosting the growth are:

- **Furnishing needs:** The growth of the real estate market leads to an increased demand for housing units, which in turn, creates a need for furniture. Homeowners and renters need furniture to make their living spaces functional and aesthetically pleasing. This drives growth in the furniture market.

- **Home staging:** As real estate grows so too does the demand for interior design and home staging services. This is because homeowners and real estate developers are looking for ways to make their properties more attractive to potential buyers. Interior designers and home stagers do this by selecting and arranging furniture in a way that creates a stylish and inviting atmosphere. This can help to sell a property more quickly and for a higher price, which in turn, drives demand for furniture.

- **Housing and lifestyle changes:** The real estate market significantly influences the housing trends & changing lifestyle preferences. As the market grows, new housing trends emerge such as open floor plans, smart homes, or eco-friendly designs. These trends often require specific type of furniture that align with evolving preferences of homebuyers and renters, leading to the growth in the furniture market.

- **Market awareness and design trends:** With real estate growth, there is increased awareness of design trends and importance of home furnishing aesthetics. Luxury/premium real estate consumers are more likely to be knowledgeable about current interior design styles, materials, and decor. This heightened awareness and interest in home interior solutions contribute to the growth of the market as consumers actively seek out products and services that align with their design preferences.

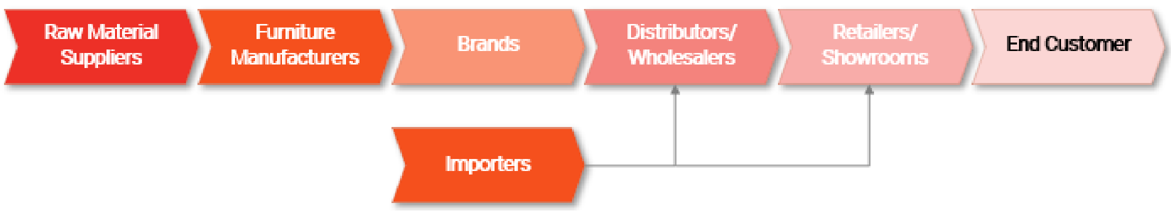
Overall, the growth in the real estate market creates a ripple effect in the furniture market. The increasing demand for housing, interior design services, furnished options, renovations, and evolving housing trends all contribute to the expansion of the furniture market as it caters to the furnishing needs of properties in the real estate sector.

MARKET STRUCTURE FOR LUXURY/SUPER-PREMIUM FURNITURE AND HOME GOODS MARKET

ORGANIZED INDIAN FURNITURE MARKET IS NASCENT BUT GROWING

Supply chain for furniture and home good industry

The furniture industry is a complex ecosystem involving multiple stakeholders and a dynamic supply chain. From raw material suppliers to furniture manufacturers, retailers, distributors, designers, and customers, each stakeholder plays a crucial role in the design, production, distribution, and sale of furniture products.



- **Raw Material Suppliers**: Raw material suppliers are responsible for providing the primary materials used in furniture production. Raw material suppliers can be specialized manufacturers or distributors that supply materials to furniture manufacturers. Unlike other stakeholders in the industry, raw material suppliers are frequently characterized by a fragmented and unorganized landscape.

- **Manufacturers:** These are companies or factories that are specialised in the production of furniture and home goods market. They may specialise in specific types of furniture like office furniture, home furniture, home décor products, etc.

  According to 2021 report by the Indian Furniture Manufacturers Association ("**IFMA**"), there are approximately 45000+ furniture manufacturers in India. This includes a wide range of furniture manufacturers, from small family-owned businesses to large, multinational corporations. They face issues that stem from factors such as infrastructure limitations, skilled labour availability, regulatory complexities, and market dynamics.

- **Brands:** They are responsible for creating innovative designs, conceptualizing product ideas, and developing prototypes. Their expertise ensures that furniture products are aesthetically appealing, functional, and aligned with market trends and customer preferences.

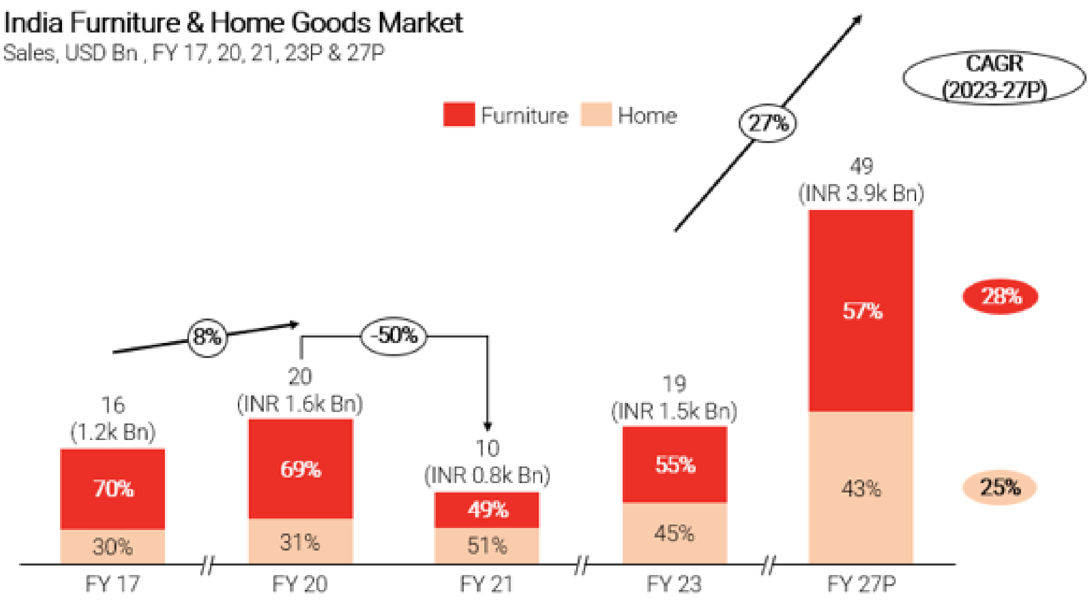
- **Distributors/Wholesalers:** Distributors and wholesalers act as intermediaries between manufacturers and retailers. They handle the logistics and distribution of furniture products from manufacturers to retailers. Distributors may also provide warehousing and inventory management services to ensure timely availability of products to retailers.

- **Retailers:** These include branded stores, standalone stores, online marketplaces, e-commerce platforms that offer variety of furniture and home goods products. They play a vital role by acting as an intermediary between manufacturers and consumers, marketing, showcasing and selling end furniture.

INDIAN FURNITURE AND HOME GOODS MARKET TO BECOME US$ 49 BILLION MARKET BY FISCAL 2027

The boom in the real estate market in India has enabled the furniture market in India to experience a high growth trajectory. Rapid urbanization, high rising incomes, and an increasing shift towards tier-level cities are causing housing properties to flourish across India. Consequently, a high growth trajectory is expected in the demand for furnishing personal places. During Fiscal 21, the home and furniture market contributed approximately 0.38% to the GDP, and this contribution has increased to approximately 0.56% in Fiscal 2023.

A paradigm shift is anticipated in the home and furniture industry over the years, driven by the expansion of a well-aware consumer base. The growth is further fuelled by the entry of numerous international brands and the proliferation of branded showrooms across the country. As of Fiscal 21, the home and furniture market were about US$ 10 billion, which is estimated to increase to US$ 19 billion by Fiscal 2023. The market is further subject to increase at a growth rate of 27% reaching US$ 49 billion by Fiscal 2027. Of the total home and furniture market in Fiscal 2023, furniture contributes to 55% when compared to home goods which is at 45%.



Notes: Drop in the sales in FY21 is due to covid. Furniture Includes beds, cabinets, dining tables, sofas, chairs & others. Home goods includes home furnishings (Includes bath linens, kitchenry, cushions & covers, bed linen, curtains, flooring & mattress), home décor (Includes table décor, tableware, spiritual & wall decors), Lighting (Includes lamps, wall lights, ceiling lights, smart lights, festive lights & LED lights) & others
Source: Redseer analysis

Drivers of Indian furniture and home goods market:

- **Working women population**
  As access to education and participation in the labour force increase, women are emerging as key decision-makers in the purchase of consumer goods. This trend is particularly prevalent in households where women are educated and employed, as they become influential figures who significantly impact household consumption.

Female labour force participation rate has gone up to 25.1% in Fiscal 2021 from 18.6% in Fiscal 2019. This growth can be attributed to factors such as increasing access to education and the flexibility of work-from-home arrangements.

- **Increasing nuclearisation**
The National Family Health Survey reveals that the average household size in India has decreased from 4.8 in Fiscal 2012 to 4.4 in Fiscal 2020. As more and more households transition to nuclear family setups, there is greater demand for furniture & home goods. Furniture manufacturers and retailers are responding to this trend by offering a wide range of products tailored to the needs of nuclear families, such as modular furniture, space-saving dining sets, and smart storage options. The furniture and home goods market has recognized this growing market segment and is adapting to meet the evolving needs of nuclear families. As a result, we are witnessing an expansion in product offerings and a greater emphasis on designs and functionalities.

- **Changing consumer preferences**
Previously, individuals used to purchase furniture and home décor products based on their needs and preferences. However, modern consumers actively seek to create living spaces that reflect their individuality and tastes. As a result, there is a growing demand for customised furniture and home décor items that can be tailored to specific designs, sizes, and materials. Luxury/super-premium furniture brands have responded by offering customisation options, enabling customers to curate bespoke pieces that perfectly align with their vision.

  Furthermore, the influence of global trends and lifestyles, facilitated by travel, social media, and online platforms, has exposed consumers to various design influences. This exposure has prompted consumers to appreciate artisanal craftsmanship and intricate designs. As consumers increasingly prioritize unique and well-crafted furniture options, the luxury/super-premium furniture market is expected to experience sustained growth.

  The rise of social media has significantly impacted consumer behaviour, influencing their interaction with the products they use. Social media has made consumers more conscious of the furniture and home furnishings they choose, leading to a more selective approach. Additionally, posting pictures online has become a motivating factor for consumers, inspiring others to follow suit. Platforms like Instagram and Pinterest showcase inspiring home décor ideas and trends, creating a desire for similar styles among consumers. Brands leverage this influence by advertising and sharing pictures of aesthetically pleasing and unique pieces, motivating viewers to aspire to own similar items.

- **Shorter replacement cycle**
The furniture industry has witnessed a shift towards shorter replacement cycles, resulting in increased consumption. This trend reflects changing consumer behaviours and preferences, as people opt to replace their furniture more frequently. Therefore, individuals and households are more willing to invest in new furniture to keep up with evolving design trends, cater to their changing lifestyle needs, and enhance the aesthetic appeal of their living spaces.

- **Home renovations & upgrades**
Homeowners undertaking renovations or upgrading their existing homes is also driving the demand for furniture and home goods. Renovation activities often involve replacing outdated or worn-out furniture and upgrading home goods to match the desired style and functionality. As people seek to improve their living spaces, the market for furniture and home goods will experience growth.

- **Growth of hospitality and tourism industry**
As per Redseer estimates, the tourism industry reached a significant size of US$ 62 billion as of Fiscal 19, but it experienced a dampening effect during COVID-19, resulting in a decrease to US$ 18 billion in Fiscal 2021. However, the industry has since rebounded and is expected to experience a boom post COVID-19, projected to reach approximately US$ 70 billion by Fiscal 2023. Similarly, the domestic hotel industry has witnessed a substantial growth rate, increasing from US$ 6 billion in Fiscal 2021 to US$ 12 billion by Fiscal 22, as per Redseer estimates. The hotel industry is poised for buoyancy in Fiscal 23. The growth of the tourism and hotel industry has generated a surging demand for aesthetic and comfortable furniture, consequently driving the expansion of the home and furniture market in India.

Hospitality and tourism industry growth (In USD Bn)

Industry	FY 19	FY 21	FY 22	FY 23P
Tourism	62	18	38	70
Domestic hotels	18	6	12	20

Source: Redseer analysis

Initiatives by the Government of India (GOI) further propels the growth of the furniture and home décor market in India:

- **Make in India**
  The GOI introduced an initiative during 2014 that focuses on boosting the domestic manufacturing industry in India. It also emphasizes skill development and promotes the global export of furniture, thereby showcasing India's craft heritage. Additionally, the initiative aims to encourage the adoption of modern technology and machinery by promoting schemes like the Technology Upgradation Fund Scheme. Furthermore, it actively plays a role in streamlining the regulatory environment of the furniture industry, making it easier for companies to conduct business.

- **Skill India**
  Furniture and Fittings Skill Council aims at enhancing the employability of the Indian workforce by establishing skill ecosystem in India. It mainly focuses on imparting skills for furniture, fittings, and allied industries. National Skill Development launched by the Ministry of Skill Development and Entrepreneurship also aims at contributing skill training activities across different sectors and state. It also aims at promoting decision making processes that will enhance the skilling scale with vigour and standards.

- **PLI (Production Linked Incentive) scheme for modular furniture**
  The Indian government is proposing a PLI scheme for modular furniture with a total outlay of INR 4500 crore. The PLI scheme aims to extend incentives to eligible companies on incremental sales over the base year for goods manufactured in India and covered under target segments, for a period of five years following the base year. Such initiative will assist India in leveraging the untapped potential of the furniture market and reducing dependency on imports. Additionally, it will bridge technological gaps and enhance automation in the furniture industry.

- The implementation of **GST (Goods & Services Tax)** streamlined the taxation system and encouraged more players to enter the organised furniture market The formalisation of the industry has resulted in improved quality standards, better customer service, and enhanced consumer trust in the organised furniture sector. The unified tax structure has brought down the tax rates for luxury/super-premium furniture products, making them more affordable and accessible to consumers. This has contributed to increased demand and sales of luxury/super-premium furniture items.

- **RERA (Real Estate Regulation and Development Act),** introduced in 2016, has brought about transparency, accountability, and consumer protection in the real estate sector. This has instilled confidence in homebuyers, leading to increased demand for housing properties. As a result, the organised furniture market has experienced growth since homeowners are more likely to invest in quality furnishings for their regulated and RERA-compliant properties.

Additionally, the Make in India initiative by the Government of India is promoting Indian manufactured products and imposing tariffs on imported products which further increase demand for the products manufactured by companies such as Stanley Lifestyles in the event any such steps are taken by the Government of India on imported furniture products. To that extent, the Government of India is in discussions with the major players in the furniture industry including Stanley Lifestyles for any PLI Scheme that may be introduced in the furniture industry.

Organised furniture & home goods market in India is growing faster than unorganised market
Although the traditional market holds the majority share in the industry, the initiatives (such as Make in India, Skill India and PLI scheme) and the drivers such as working women population, increasing nuclearisation, and many more have led to an increase in the organized share in India. Increase online penetration is another factor that has contributed to increase growth of organised furniture & home goods market in India. During pandemic many consumers switched to online shopping. As per Redseer estimates, there are 70-75 crore consumers who have access to internet in Fiscal 2023 and it is expected to grow at a rate of 8% annually to reach approximately 1 billion by Fiscal 2030. With the onset of advanced technologies, consumers can select from different varieties of brands and products and view them in 360 degrees. The sellers, too, on the other hand prioritised omni-channel experience to cater to the consumer’s expectations and increase their business.

Demonetisation too paved the way for the growth of organized share in the furniture and home goods market by creating a temporary liquidity crunch that affected small and unorganized players. As a result, consumers, who were more inclined towards transparent transactions, shifted towards established branded stores. This shift in consumer behaviour drove the growth of organized players in the furniture and home goods market.

In recent years, as a result, organised sales of furniture have become increasingly important. From retail stores and e-commerce platforms to furniture chains and specialty stores, these channels cater to diverse customer preferences However, generally organised sales of furniture & home goods happen through primarily four channels:

- **EBOs (Exclusive Brand Outlets)**
  EBOs are retail stores that exclusively showcase products from a specific brand or brand portfolio.

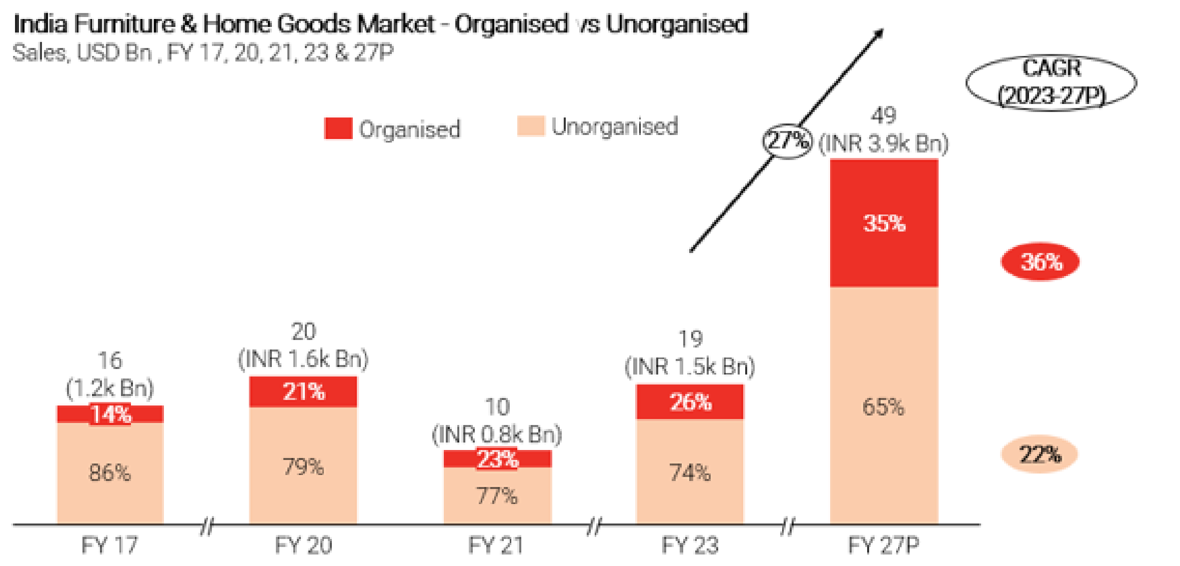
- **MBOs (Multi Brand Outlets)**
  MBOs are retail stores that showcase products from multiple brands, can be across various categories.

- **Experience Centres**
  These are dedicated spaced which has been designed to offer customers immersive and interactive experiences with

furniture products.

- **Own Website/Online marketplaces**
  With people becoming more tech savvy, Brands have started selling through own website or online marketplaces like amazon, flipkart, etc.

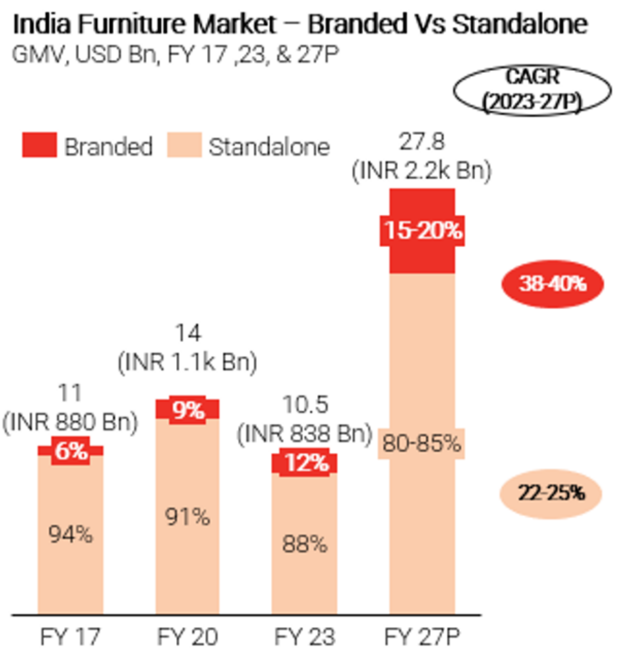
In Fiscal 2021, the organised market accounted for 23% of the total furniture and home goods market, which increased to 26% by Fiscal 2023. Furthermore, by Fiscal 2027, the organised market is expected to contribute to 35% of the total market share, exhibiting an annual growth rate of 36%, which surpasses the growth rate of the traditional market.

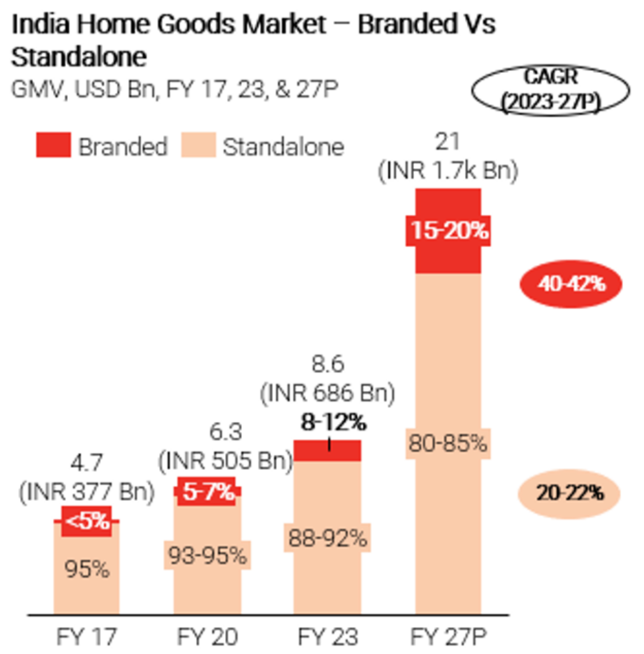


Notes(s): Organised sales refer to the sales of furniture occurring through branded retail stores, online channels, and standalone stores with a minimum area of 2500 sq. ft.
Source: Redseer analysis

Despite increased penetration of brands over online channels and increased sales earned from it, retailers still believe that a brick-and-mortar store is necessary. As a result, many online players such as Urban Ladder, Pepperfry, and others have opened branded stores across India.

Changing consumption patterns of the aspirational and affluent households have been largely driving growth in the market. They prefer products of higher quality, more comfort and a better purchase experience and better designs and are typically ready to spend more to keep up with décor trends. This has led to an increase in the demand of high quality, standardized and better-looking branded products. The contribution of branded furniture in the overall market has increased from approximately 6% in Fiscal 2017 to approximately 12% in Fiscal 2023 and it is further projected to rise as high as 15-20% by Fiscal 2027.





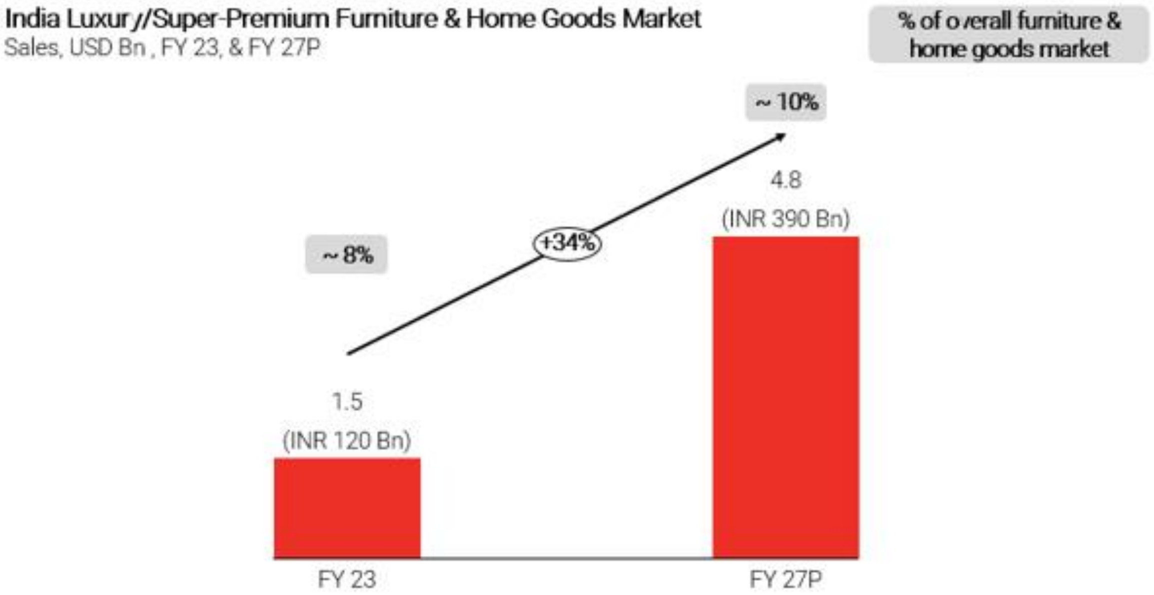
Notes(s): Branded are considered stores with more than one retail outlet or sell their products online. Standalone are stores with single retail outlet.
Source: Redseer analysis

THE LUXURY/SUPER-PREMIUM FURNITURE & HOME GOODS MARKET IS POISED TO TRIPLE ITS SIZE BY FISCAL 2027

Luxury/super-premium furniture and home goods market is expected to reach US$ 4.8 billion by Fiscal 2027
The luxury/super-premium furniture & home goods market in India constitutes 8% of the overall market. The rise of dual income households in India will further contribute to the growth of the furniture market as families will have increased discretionary income at their disposal. The desire of the urban millennial and Gen Z population to stay updated with the latest décor trends, largely influenced by social media and influencers, is driving consumer demand towards better quality products, thereby leading to an increase in purchases within the luxury/super-premium product segment. The increasing demand for luxury/super-premium products is also fuelled by factors such as the growing number of nuclear families, higher disposable income, and urbanization.

India currently offers a luxury/super-premium furniture & home goods market of US$ 1.5 billion in Fiscal 2023 which includes sofas, chairs, dining tables, wardrobes, kitchens, home furnishings goods such as bath linens, kitchen, cushions & covers, bed linen, curtains, flooring & mattress, Home décor good such as table décor, tableware, spiritual & wall decors, Lighting (Includes lamps, wall lights, ceiling lights, smart lights, festive lights & LED lights) & others.

This market is poised to triple in the next four (4) years to reach US$ 4.8 billion. The luxury/super-premium furniture market in India is driven by the increasing affluence of consumers, global influences, integration of technology and the growing demand for sustainable furniture choices. These factors collectively contribute to the growth and dynamism of the luxury/super-premium furniture market in India, providing consumers with a wide range of options to create sophisticated living spaces.



Note (s): Luxury/super-premium refers to sofas priced above INR 1.5 lakhs
Source: Redseer analysis

Prevalence of unorganised market in the luxury/super-premium furniture market

The luxury/super premium market in India exhibits a unique and distinctive characteristic - an unorganised nature (slightly more unorganised compared to other segments) that sets it apart from the masstige and mass market segments. This distinction arises due to several factors that influence the organization and structure of the luxury super premium market:

- **Fragmented Market:** The luxury/super premium market in India is characterized by a larger number of small-scale and independent players. These include individual artisans, craftsmen, and boutique manufacturers who cater to niche customer segments. The presence of numerous independent entities results in a fragmented market structure, lacking a centralized and organized industry framework.

- **Limited Brand Consistency:** Unlike the masstige and mass market segments, where established brands with standardized products and processes prevail, the luxury/super premium market exhibits greater variation in brand identities and product offerings. This variation can be attributed to the unique craftsmanship, customization, and exclusive nature of luxury/super premium products, which often differ from brand to brand.

- **Artisanal Production:** Luxury/super premium products, particularly in sectors such as high-end furniture, home decor, and fashion, often involve intricate craftsmanship and artisanal techniques. The emphasis on handcrafted and bespoke products contributes to the unorganized nature of the market, as the production processes are typically labour-intensive and involve smaller-scale operations.

- **Limited Retail Presence:** The availability of luxury/super premium products is primarily through exclusive showrooms, boutiques, and limited distribution channels. These outlets are often owned and operated by the brands themselves or by a small number of authorized dealers. The restricted retail presence further adds to the unorganized nature of the market, as widespread availability and standardized retail experiences are comparatively limited.

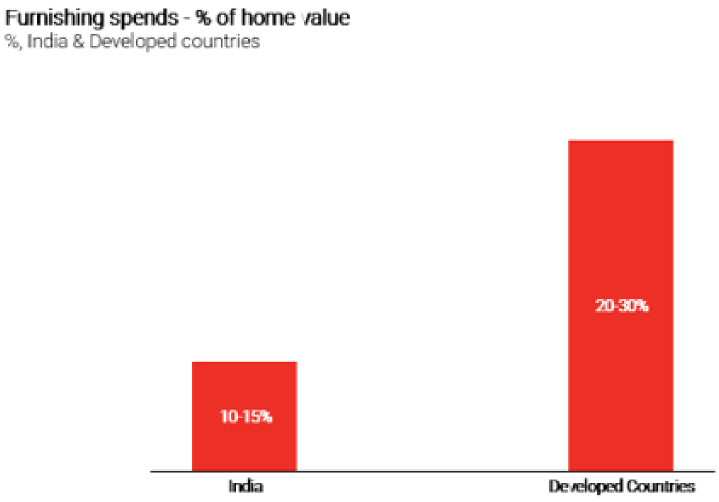
- **Large number of small importers:** In addition to the factors mentioned earlier, the unorganized nature of India's luxury/ super premium market is further compounded by the presence of a large number of small importers of luxury furniture. These importers, often operating on a smaller scale, contribute to the overall unorganized landscape of the market. Their presence brings both challenges and opportunities to the industry, shaping the dynamics of luxury furniture imports in the country.

The luxury and premium furniture market in India is highly competitive and segmented, with both unbranded and branded players competing for market share. Other than local players like Stanley Lifestyles, there are many European brands present in the luxury and super premium industry who design and manufacture and then import their products into India.

The unorganised nature of India's luxury/super premium market, including the prevalence of small importers, highlights the potential for growth and the emergence of organized players in the industry. While the presence of numerous small importers contributes to the fragmented landscape, it also presents an opportunity for larger, organised players to establish themselves and bring structure to the market. As the demand for luxury furniture continues to rise and consumers increasingly seek reliability and standardized offerings, the stage is set for big, organised players to make their mark and drive the growth and development of the luxury super premium market in India.

There is still large headroom for growth in the luxury/super-premium furniture market in India
The luxury/super-premium furniture market in India has substantial headroom for growth due to various reasons:

- **Furniture to Home Value:** In India, the percentage of furnishing expenditure in relation to home value is comparatively lower, typically ranging from 10-15%. In contrast, developed economies allocate a higher proportion, around 20-30%, of their home value towards furnishing. This signifies that there is potential for increased spending on luxury furniture as consumers actively allocate a larger share of their home value to furnishing.



Source: Redseer analysis

- **Under penetration in luxury/super premium households:** A significant opportunity for growth lies in the fact that only around 25-30% of new premium and luxury homes valued at ₹ 15 million or above opt for luxury/super-premium furniture pieces. This number is even lower when it comes to purchasing replacement furniture for houses of similar value. Supply constraints further elevate this gap. This suggests that a large segment of luxury homeowners in India are yet to fully embrace the purchase of high-end furniture, leaving room for increased adoption and market expansion.

- **Furnitures per household:** In India, the number of furniture items per household tends to be relatively lower compared to countries like USA, China etc. Indian households typically have essential furniture items like beds, tables, chairs, and storage units, but the overall number and variety of furniture items is limited. However average households in USA and China often includes a range of furniture pieces such as Sofas, beds, dining tables, desks, cabinets, entertainment units & more. Larger living spaces, a higher standard of living, and a consumer culture that emphasizes comfort and aesthetics contribute to a greater demand for furniture in American households. However, as India continues to experience economic growth, the consumption is likely to increase and over time this could lead to consumption levels becoming more similar to those of the countries like the USA and China.

- **Supply chain constraints (Lack of Experiential Shopping)**: Availability of stores in the smaller markets (Tier 2/3+) cities also impacts consumer behaviour. The limited presence or accessibility of luxury retail stores in these cities often leads consumers to opt for mid-end furniture instead. If luxury retail stores are scarce or located far from tier 1/2+ cities, consumers may find it inconvenient to travel long distances to access them. This lack of convenience can deter consumers from exploring luxury options and prompt them to choose mid-end furniture that is readily available in local stores.

  Luxury retail stores provide a unique experiential shopping environment, creating a sense of luxury, sophistication, and exclusivity. The ambiance, attentive staff, and personalized services contribute to the overall shopping experience. However, if consumers do not have access to such luxury retail environments in their vicinity, they miss out on the immersive experience associated with luxury furniture shopping. This absence of a captivating shopping experience may lead consumers to opt for mid-end furniture from local stores that offer convenience but lack the luxurious ambiance.

- **Lack of Discovery:** India's discretionary spends are growing faster than non-discretionary spends. Moreover, affluent households themselves contributed 10% to the total PFCE. This highlights the overlooked paying capacity among Indians. One of the factors contributing to this oversight is the lack of product discovery, where consumers remain unaware of the availability of luxurious and quality products that meet their specific needs, leading them to resort to imported or premium alternatives. However, with the influence of media and globalization, consumers are actively becoming more aware of international trends and luxury brands, thereby driving the demand for high-end luxury furniture.

- **Fragmented market:** As the furniture industry is highly fragmented, consumers previously relied on imported products for stylish and luxury furniture. However, the post-COVID period brought about disruptions in the supply chain, resulting in various challenges such as extended lead times, limited availability of raw materials, increased freight costs, and restricted transportation, among others. Consequently, these challenges opened doors for luxury Indian brands that manufacture their products domestically and offer them directly to customers, reducing the waiting period. This development highlights the growth potential for luxury/super-premium furniture brands.

THE KEY TO A LUXURY EXPERIENCE: WHAT LUXURY/SUPER-PREMIUM BRANDS DO DIFFERENTLY

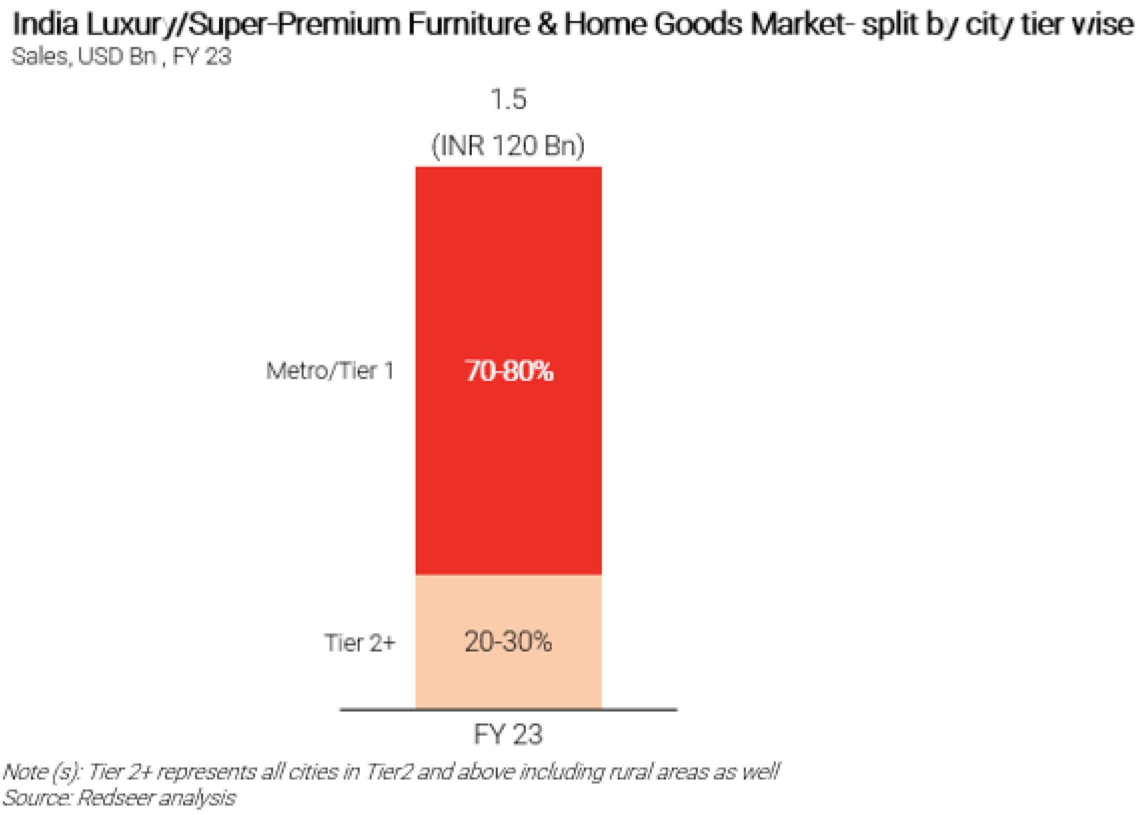
Luxurious experience offered by these furniture and home goods brand makes them stand out when compared to non-luxury/super-premium brands which further drives the growth of the luxury/super-premium furniture and home goods market. Such luxurious experience is the result derived from the combination of well-chosen fabric, quality of work, durability, present and future trends imposed and many more.

- **Bespoke design**
  To create a luxurious feel for the furniture and home goods, designers must brainstorm and develop innovative and unconventional ideas. Simultaneously, they must also consider how to imbue the furniture with expressiveness and ensure it complements the specific room it is intended for. As consumers' mindsets evolve towards home aesthetics, these distinctive features propel them towards luxury/super-premium furniture and home goods, a unique offering not provided by regular brands in the market.

- **Skilled craftsmanship**
  Creating luxury furniture and home goods requires highly skilled craftsmen. They need to possess a deep understanding of materials and have precise skills to produce exceptional-quality furniture. Master artisans with expertise in carvings and delicate upholstery work are involved in crafting each piece. Their craftsmanship ensures that every luxury furniture piece is detailed and represents the highest level of refinement and elegance.

- **Attention to detail and the need for customisation**
  As people actively embrace the trend and evaluate various furniture and home goods brands, they focus their attention on intricate details. These details highlight the need for customization, as individuals have a clear understanding of their preferences. In their pursuit of home aesthetics, people desire furniture that not only complements the room but also evokes a sense of tranquillity. Luxury/super-premium furniture and home brands exclusively offer these specialized services, setting themselves apart from regular brands that prioritize mass production.

Luxury/super-premium furniture and home goods market dominates in Metro and Tier I cities
Metro and tier 1 cities actively drive 75-80% of the sales in the luxury/super-premium furniture and home goods market when compared to tier 2+ cities. This trend is primarily due to factors such as higher disposable income, the presence of high-end residential projects, an urban lifestyle and aspirations, and influence from fashion and design trends.

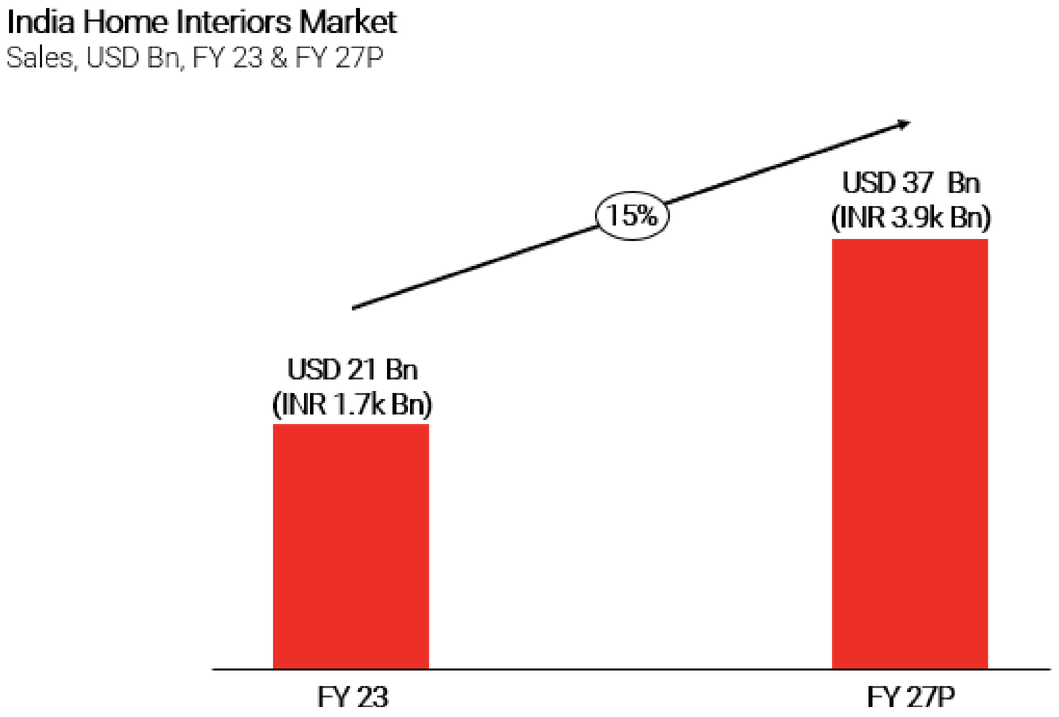


Note (s): Tier 2+ represents all cities in Tier2 and above including rural areas as well
Source: Redseer analysis

FURTHERMORE, THE HOME INTERIORS MARKET IN INDIA PRESENTS A SIGNIFICANT OPPORTUNITY FOR GROWTH

Indian home interior market is poised to grow at a rate of 15% to become US$37 billion market by Fiscal 2027

India has home interiors market of US$ 21 billion in Fiscal 2022 which is projected to grow by 15% to reach US$ 37 billion by Fiscal 2027. The growth in the home interior market is driven by increase in new property sales. A major trend in the market is also the emergence of interior designers as the influencers who are leveraging social media to drive home interiors business both through personal studios and through partnership with home interior platforms.



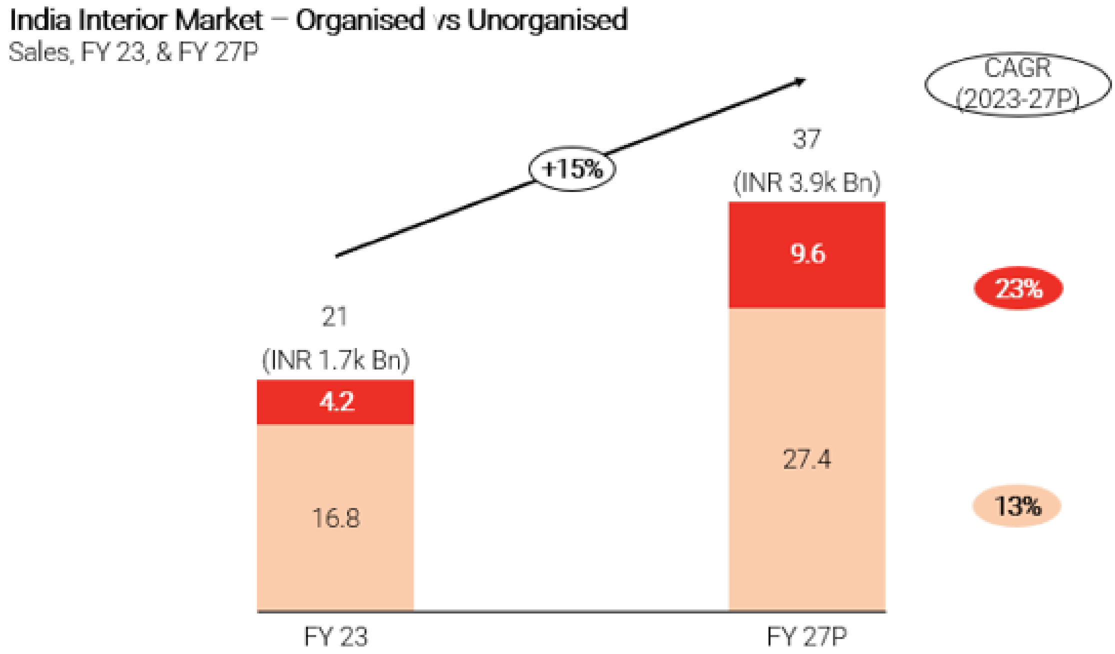
Note (s): Interiors include core services (like modular kitchens, storage units, entertainment units and other fixed furniture items)
Source: Redseer analysis

The Indian home interior market primarily relies on independent or unbranded architects who predominantly drive the industry. This situation is marked by a lack of standardized branding and warranties for the products used in home interior design. As a result, a wide variety of products and materials are utilized, often sourced from individual suppliers in local markets.

However, several startups such as Livspace, Homelane, Bonito Designs, etc. have entered the sector, bringing fresh ideas and creating an organized market in the segment. These startups introduce technological advancements in the sector, showcasing their designs and enabling customers to visualize their dream homes through online platforms, virtual reality tools, and 3D modelling software. Such efforts have actively contributed to the growth of organised share within the home interior industry.

Organised interior market share to grow at a rate of 23% within Fiscal 2023 - 2027, faster than the unorganised market

Currently, the organized sector holds a 20% share in the home interiors market. However, it is projected to experience significant growth with a compound annual growth rate (CAGR) of 23%. By Fiscal 2027, the organized sector is expected to contribute 26% to the overall home interiors market, indicating a substantial increase in its market presence. On the other hand, the unorganized sector, which currently accounts for 80% of the market share, is projected to grow at a CAGR of 13%. However, due to the faster growth of the organized sector, the share of the unorganized sector is anticipated to reduce by 6% and reach 74% by Fiscal 2027.

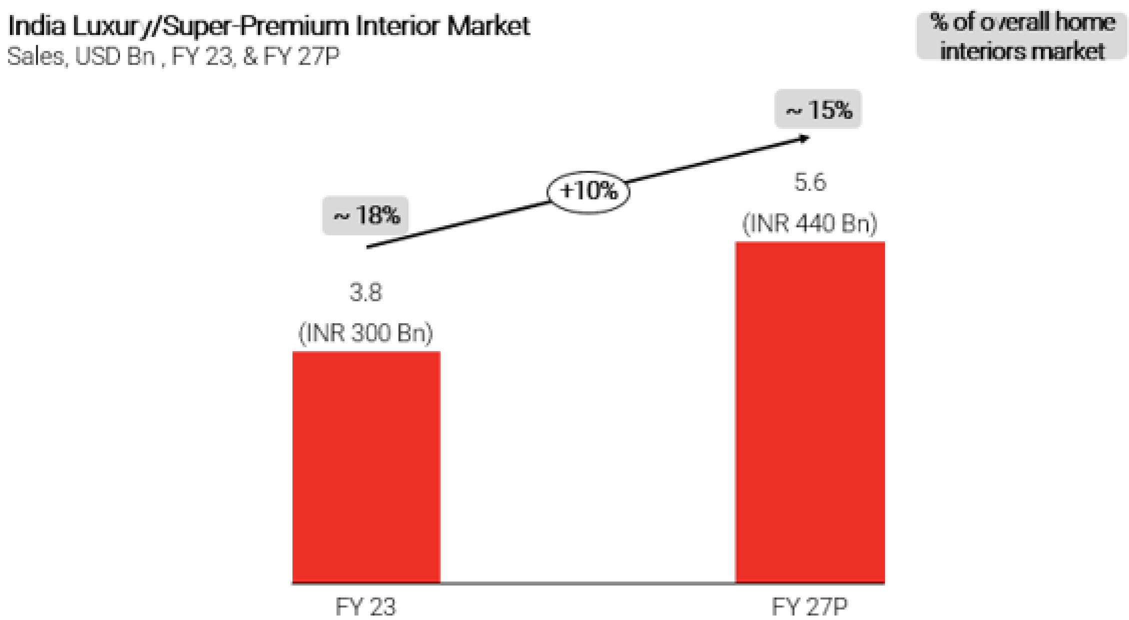


Note (s): Interiors include core services (like modular kitchens, storage units, entertainment units and other furniture items
Source: Redseer analysis

A limited number of luxury and premium level architects operate in this segment, primarily concentrated in metro and tier I cities. This is due to the growing demand witnessed for luxury and super-premium home interior services witnessed within these cities. Factors such as rising disposable income, evolving consumer preferences, and a trend towards premiumization contribute to this change. The shift towards availing premium level architects indicates that people now seek personalized and customized home interior solutions that enhance both the aesthetics and functionality of their living space.

Luxury/super-premium home interiors to become US$ 5.6 billion market by Fiscal 27

The luxury/super-premium home interiors market currently stands at US$ 3.8 billion and is projected to reach US$ 5.6 billion. Affluent consumers are increasingly seeking exclusive and unique interior designs that set their homes apart. This desire for individuality drives the demand for luxury/super-premium interior products that offer distinct aesthetics, rare materials, and limited-edition pieces.



Note (s): Interiors include core services (like modular kitchens, storage units, entertainment units and other furniture items
Luxury/super-premium interiors refer to Interior services

Source: Redseer analysis

CHALLENGES IN HOME INTERIOR MARKET

Home interior market faces certain challenges that impacts its efficiency and growth.

- **Lack of discovery**
The industry faces a significant challenge in streamlining and personalizing the discovery experience for consumers, as they have to rely on catalogues and online designs that are not easily replicable or customizable to their individual needs. Moreover, the industry's fragmentation compounds the issue, forcing consumers to visit multiple stores with limited display stock and a lack of customization options.

- **Unorganised market**
The home interior market lacks high standardization, transparency, and pricing, leading to a highly unorganized state. Additionally, there is a lack of clear regulations and warranties for products utilized in interior design. As a result, comparing and evaluating different service providers becomes challenging, resulting in inconsistencies and difficulties for customers.

- **Fragmented supply chain**
Meeting client expectations and adhering to project timelines pose challenges for home interior solution providers. These providers often face hurdles in sourcing reliable suppliers and coordinating with contractors. Additionally, the lack of a well-defined procurement process and limited access to skilled labour can further hinder their efficiency and profitability.

- **Lack of skilled labour**
Shortage of skilled labour is a significant challenge within the home interior market. Finding skilled and experienced labours who has experience in designing, upholstery, carpentry, etc. can be difficult causing hinderance to project timelines, quality work and customer satisfaction. Shortage of skilled labour also causes hinderance to the adoption of new technology, materials and techniques that enhance efficiency and customer satisfaction.

- **Turnaround time**
Timely completion of projects is crucial in the home interior market. Delays can impact customer satisfaction and disrupt project timelines, leading to additional costs and customer dissatisfaction.

- **Technological integration**
Integrating technology into traditional practices poses a significant challenge for home interior solution providers, requiring substantial investment and expertise. Moreover, customer expectations create problems as compatibility issues between design software and manufacturing software often arise, resulting in unmet expectations regarding design, colour, and other factors. These challenges ultimately lead to trust concerns and a decline in customer service quality.

- **Architect-driven market**
Architects often provide comprehensive services that include not only architectural design but also interior design. By offering end-to-end solutions, architects may directly compete with home interior solution providers, eliminating the need for separate interior design services. Architects possess extensive knowledge and training in design principles, space planning, and building regulations. This expertise enables them to offer high-quality interior design services, potentially overshadowing the offerings of home interior solution providers.

YET, THE HOME INTERIOR MARKET IS GROWING DUE TO VARIOUS FACTORS

Despite major challenges in the home interior market, there are multiple support and infrastructure programs happening that has led to a substantial boost in the overall home interior market.

- **Enhancing skilled labour**
Organizations are launching various skill development programs to enhance the capabilities of artisans, craftsmen, and workers involved in the interior design industry in India. These programs focus on training, upskilling, providing expertise, and improving the quality of services to ensure a skilled workforce that can drive the industry forward.

- **Promoting the industry through trade fairs and exhibitions**
State governments are organizing multiple trade fairs and exhibitions to educate and promote infrastructure development across regions in response to the transformation phase of the home interior market. Industry stakeholders, including artisans, manufacturers, designers, etc., are also collaborating to organize exhibitions, trade shows, and design events that showcase the latest trends and innovations in the market. Such initiatives actively encourage consumer interest and promote industry growth.

- **Development of interior design certification program**
The Government of India has actively launched multiple interior designer courses with the aim of raising the standards of the industry and facilitating easier access to qualified designers for clients. Industry associations have also actively participated in conveying the industry requirements to these institutional programs.

- **Tax reforms**
The implementation of GST has actively streamlined the taxation system and eliminated complexities within the home interior market. This initiative has significantly boosted the growth of the organized sector within the market and has

further improved the ease of doing business for both manufacturers and consumers.

- **Trade agreements that facilitate the import of home interior products:**
  Free trade agreements have actively simplified the importing of home interior products, making it easier for businesses to import such products from other countries. This increased supply of home interior products in the market, resulting in a fall in prices and an increased demand for home interior services.

FEW RESILIENT PLAYERS ARE BOUND FOR GROWTH DESPITE THE CHALLENGES IN THE FURNITURE MARKET

CHALLENGES FACED BY INDIAN HOME-GROWN LUXURY/SUPER PREMIUM LUXURY BRANDS ACROSS THE VALUE CHAIN

The manufacturing of luxury/super-premium furniture in India faces several challenges. While India is known for its rich heritage and craftsmanship, there are specific obstacles that the industry faces:

- **Skilled Labour & Craftsmanship:** The availability of highly skilled artisans and craftsmen is a crucial factor in luxury furniture manufacturing. However, finding and retaining skilled labour can be a challenge in India. There is a shortage of trained professionals who possess the expertise required for creating intricate and high-quality luxury furniture pieces.

- **Quality raw materials:** Raw materials contribute to more than 50% of the overall production cost. Wood, fabrics, metal, and finishing materials are crucial components in creating high-end furniture. India boasts a diverse range of wood species and even has variety of fine fabrics, known for their durability and beauty, but ensuring consistent quality can be a concern. To overcome these challenges, few manufacturers often build strong relationships with reliable suppliers and may implement rigorous quality control measures. Collaboration with international suppliers is also one measure taken to keep consistency of quality raw materials.

- **High cost of imported raw materials:** Import duties on furniture raw materials have been on the rise for last few years. When import duties on raw materials are high, it can make it more expensive for furniture manufacturers to source their materials, which can lead to higher prices for furniture products. This can make it difficult for furniture manufacturers to compete with foreign rivals who have access to cheaper raw materials. Even total duty of finished goods is less than raw materials.

- **Cultural preferences & design aesthetics**
  Luxury and premium furniture manufacturers often need to modify their designs to align with local cultural preferences. This includes factors such as colour choices, patterns, motifs, materials, and even sizing and proportions. Adapting designs to resonate with local tastes enhances customer appeal and increases the chances of market acceptance.

- **Infrastructure**
  The luxury furniture industry requires modern infrastructure and specialized machinery to produce high-end products. However, there may be limitations in terms of the availability of advanced manufacturing facilities and equipment in certain regions of India. This can impact the efficiency and quality of the manufacturing process.

- **Design & Innovation**
  Luxury and premium furniture are often characterized by unique designs and innovative features. Developing and maintaining a design-oriented culture that encourages creativity and innovation can be a challenge in India's manufacturing sector. Limited exposure to global design trends and a conservative approach to design can hinder the creation of cutting-edge luxury furniture pieces.

Luxury/super-premium furniture manufacturing further involves the use of enhanced and upgraded manufacturing processes to create products that are both high-quality and visually stunning. Some of the most common enhanced manufacturing processes used in luxury/super-premium furniture manufacturing include:

- CNC machining
- Waterjet cutting
- Laser cutting
- Handcrafting

Luxury/super-premium furniture manufacturers use high-quality materials and finishes to create their products. This helps to ensure that luxury/super-premium furniture pieces will last for many years to come. Some of the benefits of such enhanced and upgraded manufacturing processes involve:

- Precision
- Durability
- Uniqueness
- Aesthetics

Retailing luxury furniture presents unique challenges and entry barriers and requires more effort compared to other luxury retail sectors.

- **Considerable Purchase**
  When compared to other luxury products, consumers devote more time and consideration to luxury/super-premium furniture. They thoughtfully invest their time in conducting extensive research and evaluating their options, instead of making impulse-driven purchases. Customers often wish to touch, try out, or sit on a piece of furniture before they make the investment. Typically, customers spend more time researching options, visiting stores, and comparing different furniture pieces before ultimately making a purchase decision.

- **Showroom Experience**
  Luxury/super-premium furniture retail strongly emphasizes the showroom experience. Unlike other luxury products, retailers offering luxury/super-premium furniture actively strive to create immersive and elegant showrooms with a sophisticated environment that showcases the craftsmanship, materials, and attention to detail of these brands. Additionally, they face the challenge of maintaining consistency across all their showrooms, which becomes difficult due to differences in staff, layouts, and furniture on display.

- **Customisation & bespoke options**
  Luxury/super-premium furniture brands actively offer extensive customization and bespoke options to cater to individual customer preferences. They provide the ability for customers to select materials, finishes, upholstery, and even customize dimensions according to their needs. However, the provision of such services entails high production costs, longer lead times, the risk of errors, and increased marketing expenses, which pose challenges for luxury/super-premium furniture brands when it comes to expanding their market compared to other luxury/super-premium products.

- **Exclusive material and limited editions**
  Luxury/super-premium furniture manufacturers actively utilize special and high-quality materials like rare woods, fine fabrics, and luxurious finishes. However, these materials often have limited availability or incur high import costs. Consequently, luxury/super-premium furniture is priced exorbitantly when compared to other luxury products in the market. The production of luxury/super-premium furniture also includes the creation of limited-edition pieces or special collaborations with famous designers or artists, resulting in low availability in the market.

- **Maintaining quality standards**
  Luxury/super premium furniture brands pose a significant challenge in maintaining a consistent set of quality standards while retailing them. These brands differentiate basis exceptional craftsmanship, premium materials, and attention to detail. Various challenges which a brand faces, including sourcing high-quality materials, managing complex supply chains, monitoring production process, and quality control checks. As any luxury/super premium brand expands, maintaining consistency becomes challenging. Experience equipped with a dedicated focus on quality management, continuous improvement and effective communication is required to overcome these challenges and meet customer expectations.

- **Talent & expertise**
  Developing and nurturing a team with the necessary expertise in luxury/super-premium brand management, retail operations, customer service, and product knowledge is crucial. Finding and retaining skilled professionals who understand the intricacies of furniture & home solutions and can deliver an elevated customer experience can be a challenge.

FURTHERMORE, BUILDING A LUXURY AND SUPER PREMIUM BRAND TAKES TIME IN A HIGH INVOLVEMENT CATEGORY LIKE FURNITURE AND HOME GOODS

Building a luxury furniture brand is a strategic and long-term endeavour that requires a combination of quality products, exceptional customer experiences, brand consistency, and targeted marketing efforts.

- **Value perception**
  Indian consumers often are value-conscious and price-sensitive when it comes to furniture purchases. Convincing them to invest in high-priced luxury/super-premium furniture requires effective communication of the value, quality, and long-term benefits of owning such pieces.

- **Process of building trust takes time**
  The fundamental block for the success of any furniture luxury/super-premium brand is to build trust with the relevant consumer base. The brands have to be very conscious of the needs of the consumers and deliver high quality products. To attain brand loyalty of customers, luxury/super-premium furniture brands need to spend a significant amount of money and energy to be able to provide enhanced customer experience via their designated experience centres. The requirement of such high-end customer services increases the operational cost for these brands.

- **Supply chain & infrastructure**
  Developing a robust supply chain network, including sourcing high-quality materials, skilled craftsmanship, and efficient logistics, can be challenging in India. Building and maintaining relationships with reliable suppliers and artisans, while ensuring consistent quality, can pose logistical and operational hurdles. These brands also need to ensure their products are accessible to consumers across different regions while maintaining an exclusive and premium image.
  Brands that lack integrated manufacturing often encounter issues such as inadequate post-delivery support, limited warranty provision, shallow customization options, longer lead times, and a higher risk of errors.

- **Cultivating brand reputation**
  Luxury furniture brands need to establish a reputation for excellence, craftsmanship, and quality. This reputation is built over time through consistent delivery of superior products, exceptional customer service, and positive customer experiences. It requires a track record of customer satisfaction, industry recognition, and word-of-mouth referrals.

Moreover, throughout the value chain, luxury/super-premium brands must surpass mass and affordable brands
In the dynamic landscape of the furniture industry, luxury/super-premium brands face the ongoing challenge of differentiating themselves from mass-market and affordable brands. These brands, operating across the entire value chain, strive to deliver exceptional quality, craftsmanship, and customer experiences that surpass what is offered by their mass-market counterparts. This comparison examines the various aspects in which luxury/super-premium brands outshine their mass and affordable counterparts, highlighting the factors that contribute to their distinctiveness and appeal in the market.

Aspects	Luxury/Super Premium	Mass/ Affordable
Designing	Exclusive designing & conceptualisation using 3D, prototyping, research, etc.	Cost-effective and affordable designing
Raw material sourcing	Sourcing of high-quality products such as top-grade goods, exotic leathers, premium metals, to ensure durability and craftsmanship	Procurement of cost-efficient materials such as engineering wood, synthetic leather, etc.
Manufacturing	Manufacturing using skilled artisans and craftsmen as it is a labour-intensive work.	Mass production technique
	Provides rigorous in-house training and offers apprenticeship programs to the craftsmen with great emphasis on tradition and heritage.	Craftsmen are trained to acquire basic skills required as per standardisation.
	Elaborate furnishing such as hand-carving, polishing, etc. and used premium fabrics or hand-stitched for upholstery	Simple finishing and upholstery using readily available fabrics or faux leather
Quality check	Rigorous quality checks	Standard checks
Production Volume	Limited production volume	High production volumes
Customisation & Personalisation	High level of customisation & personalisation	Limited customisation options
Distribution and retailing	Distributes to exclusive showrooms, galleries, etc. and employ high-end logistics	Efficient packaging to reduce transportation cost and distributes to wholesalers, retailers, and online marketplace
	Experiential centres and responsive after-sales support such as warranties, assistance with services, etc.	Offers satisfactory customer service such as maintenance and limited warranties within defined time period, customer service, etc.
	High investment on branding and marketing such as collaboration with designers, leverage digital platforms, participation in prestigious exhibition, etc.	Mainly targets budget-conscious customers and gives importance to competitive pricing
	Emphasize sustainability & ethical practises such as minimising waste, supporting fair trade, etc.	-

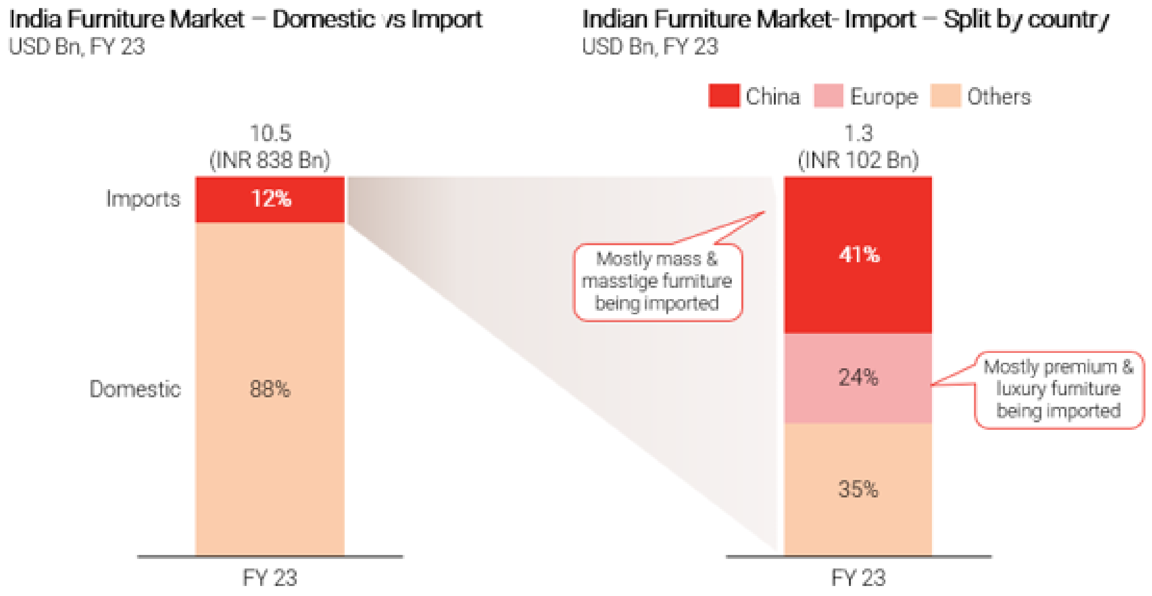
Source: Redseer research

THESE CHALLENGES HAVE HELPED IMPORTERS GAIN AN UPPER HAND DESPITE OFFERING A MERE ADEQUATE CONSUMER EXPERIENCE

Importers have captured high share in the luxury/super-premium market

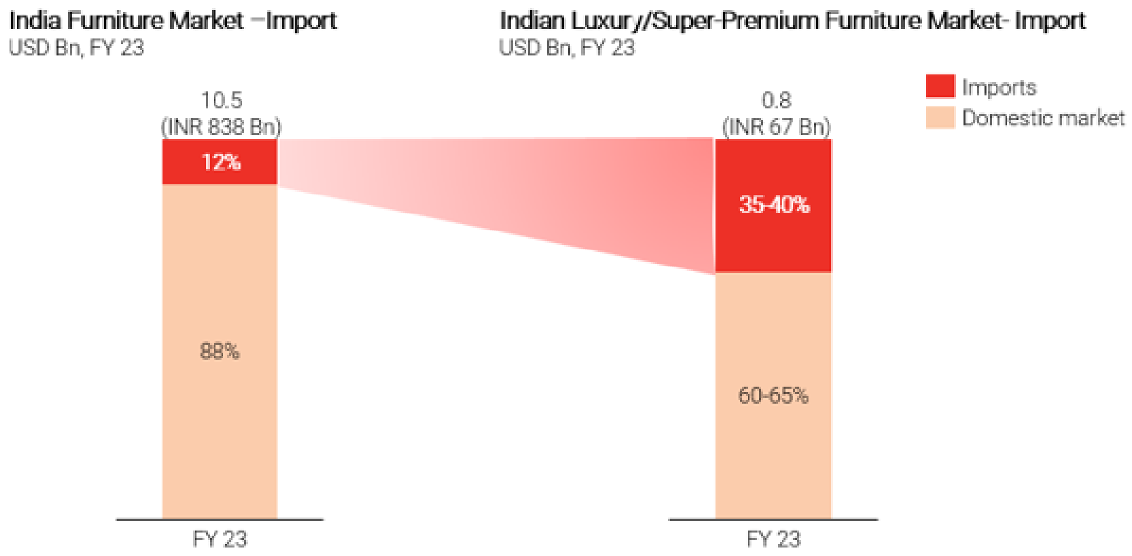
The import market constitutes 12% of the total furniture market in Fiscal 2023. Of this, furniture imported from China constitutes 41% followed by Europe at 24%. However, luxury/super-premium furniture are primarily imported from European countries whereas China contributes most in the affordable and masstige category. Some of the luxury/super-premium brands imported from Europe to India are Roche Bobois, Poltrona Frau, BoConcept, Idus Furniture, etc.

The attachment of value to specific products by these brands, customer loyalty, appreciation for product aesthetic, and the brand's association with product quality actively drive the significant portion of luxury/super-premium furniture imports in the country.



Note (s): Mass furniture refers to furniture worth INR <30K. Masstige Furniture refers to furniture worth INR 30k-70k
Source: Tradestat (Dept. of Commerce), Redseer analysis

The total imports in the Indian furniture market constitute 12%, i.e., approximately US$ 1.25 billion. Within the Indian luxury/super-premium furniture market, 35-40% of the products (US$ 0.3 billion) are imported to India and majority of this share is represented by the luxury/super-premium categories.



Note (s): Furniture being imported from Europe has been considered as luxury/super-premium furniture.
Source: Tradestat (Dept. of Commerce), Redseer analysis

HOWEVER, THERE ARE INDICATIONS OF MARKET SHIFT THAT ARE SUPPOSED TO SHIFT THE FURNITURE INDUSTRY TOWARDS INDIAN MANUFACTURERS

There has been accelerated import substitution in the furniture industry which promotes process of reducing reliance on imported goods by promoting and supporting the production of domestic alternatives. These has been primarily driven by:

Protective government policies: The implementation of protective government policies such as the Production Linked Incentive (PLI) scheme, Bureau of Indian Standards (BIS) regulations, and import duties can create a favourable environment for domestic manufacturers. These policies aim to incentivize and support local production, making it more competitive compared to imported goods.

- **PLI incentives:** As discussed earlier, Government of India has announced a number of PLI (Production Linked Incentive) schemes for the furniture industry. These schemes offer financial incentives to domestic furniture manufacturers who invest in new production capacity or upgrade their existing facilities. According to a study by the National Council of Applied Economic Research ("**NCAER**"), the PLI scheme for furniture manufacturing is expected to create an additional

1.5 million jobs in the industry and increase the value of furniture exports by US$ 5 billion by 2025. The study also found that the scheme is expected to lead to a 20% increase in the domestic production of furniture.

- **BIS compliance costs:** BIS (Bureau of Indian Standards) plays a significant role in the furniture industry by setting standards. Moreover, BIS also supports import substitution efforts by ensuring that imported furniture complies with Indian standards. Imported furniture products are subject to scrutiny and testing to ensure they meet the necessary quality and safety requirements before they can be sold in the Indian market. The BIS compliance costs can be significant, and they can make it more expensive for foreign furniture manufacturers to import their products into India. Another study, conducted by the Furniture Export Promotion Council of India ("**FEPCI**"), found that the BIS compliance costs for furniture manufacturers are estimated to be around 2% of the value of the product. The study also found that the import duties on furniture products are estimated to be around 10% of the value of the product.
- **Import duties:** The government of India also imposes import duties on a wide range of furniture products. These import duties can make it more expensive for foreign furniture manufacturers to import their products into India. This protection helps local manufacturers capture a larger share of the market and encourages investments in domestic production facilities. Moreover, import duties level the playing field, offsetting cost advantages enjoyed by foreign competitors and fostering a fairer market environment.

Measures taken to combat under invoicing of furniture imports: Under invoicing is a serious problem in India, and it is particularly prevalent in the furniture import sector. In 2018-19, the government of India estimated that under invoicing of furniture imports was worth around $1 billion. This means that the government was losing out on significant amounts of customs duty revenue.

There are a number of reasons why under invoicing is so common in the furniture import sector. First, furniture is a relatively easy product to undervalue. The value of furniture can vary depending on several factors, such as the materials used, the design, and the manufacturing process. This makes it difficult for customs officials to accurately assess the value of furniture shipments.

Second, the furniture import sector is relatively unregulated in India. There are no specific laws or regulations that govern the valuation of furniture imports. This means that importers have a lot of leeway when it comes to declaring the value of their shipments.

The government of India is taking steps to combat under invoicing of furniture imports. In 2019, the government introduced a new risk assessment tool for furniture imports. This tool uses several factors to identify shipments that are likely to be undervalued. Shipments that are flagged by the risk assessment tool are subject to more rigorous inspection by customs officials.

The government is also working to improve the coordination between different government agencies involved in the fight against under invoicing. This includes the customs department, the enforcement directorate, and the central bureau of investigation. By working together, these agencies can share information and resources to more effectively target under invoicing.

Despite these efforts, under invoicing of furniture imports remains a problem in India. However, the government's continued efforts to combat this problem are likely to have a positive impact in the long term.

Here are some additional measures that the government of India is taking to combat under invoicing of furniture imports:

- Increasing the number of customs inspections of furniture shipments.
- Using data analytics to identify patterns of under invoicing.
- Working with trading partners to share information about under invoicing.
- Imposing stricter penalties on importers who are caught undervaluing their shipments.

Growing acceptance of Indian luxury/super-premium brands: Indian brands are experiencing a growing acceptance and resonance domestically. This shift in consumer preferences towards Indian brands spans various industries, including the furniture sector. Firstly, Indian brands have made significant strides in terms of product quality, design, and innovation. They have invested in research and development, embracing modern technologies and manufacturing practices to deliver high-quality products that meet international standards.

Secondly, there has been a rising awareness and appreciation for locally made products. Consumers are increasingly seeking products that align with their values, such as supporting local industries, promoting sustainability, and contributing to the local economy. Indian furniture brands that emphasize these aspects have resonated with conscientious consumers, who actively choose Indian brands over imported alternatives.

Additionally, Indian brands have focused on capturing the essence of Indian culture and heritage in their designs. They incorporate traditional craftsmanship, intricate detailing, and cultural designs, providing a distinct and unique identity to their furniture. This resonates not only with Indian consumers who seek a connection to their roots but also with international consumers who appreciate the richness and diversity of Indian aesthetics.

Ecosystem development for furniture manufacturing: The large number of importers capturing the luxury/super-premium market suggests gap between Europe's and India's ecosystem. Firstly, Europe generally has a more advanced manufacturing ecosystem with a greater emphasis on leveraging advanced technologies such as robotics, automation, and smart manufacturing systems to enhance efficiency and product quality. Secondly, European manufacturers have a strong tradition of craftsmanship and specialization. They excel in niche industries such as luxury furniture, high-end design, and bespoke manufacturing.

In contrast, the furniture manufacturing ecosystem in India is characterized by a more diverse landscape. India has a mix of small-scale artisans, mid-sized manufacturers, and larger production facilities. The industry is known for its craftsmanship, unique designs, and cultural influences. However, the overall technological adoption and infrastructure in India's manufacturing ecosystem may be comparatively lower than in Europe.

The ecosystem is further strengthened by skill development initiatives aimed at nurturing a skilled workforce. Vocational training programs, collaborations with educational institutions, and industry-academia partnerships have been established to meet the demand for skilled workers in the furniture manufacturing sector.

Overall, the development of a comprehensive ecosystem for furniture manufacturing in India is the result of coordinated efforts by the government, industry players, educational institutions, and other stakeholders. This ecosystem encompasses various elements, including supportive policies, infrastructure development, skill enhancement, access to raw materials, innovation, and collaboration. The growing ecosystem is transforming India into a competitive hub for furniture manufacturing, fostering economic growth, job creation, and positioning the country as a significant player in the global furniture market.

Apart from importers, current luxury/super-premium market is being catered by two types of players

- **Long tail of homegrown brands and standalone stores:** In recent years, there has been a notable increase in the number of long tail luxury and super-premium Indian domestic brands and standalone stores catering to the market. These homegrown brands have emerged as significant players in the luxury furniture segment, offering unique and exclusive offerings to discerning customers and generally cater to specific regions and cities.

  By focusing on specific regions, these stores cater to the preferences and demands of local customers. They curate their product offerings to align with the tastes, cultural sensibilities, and lifestyle of the specific region they operate in. While these standalone stores may have a smaller physical footprint compared to larger luxury retailers, they contribute significantly to the overall luxury landscape in India.
  One of the key factors contributing to the rise of these brands is the growing recognition and appreciation for Indian craftsmanship, design, and heritage. Customers, both domestically and internationally, are increasingly seeking authenticity, craftsmanship, and a connection to local culture when it comes to luxury furniture. These homegrown brands often focus on providing personalized and bespoke experiences to customers.

- **Luxury offerings of premium and masstige brands**: In addition to their mid-range offerings, premium and masstige brands have made inroads into the luxury market by introducing select SKUs in the luxury space. Leveraging their established brand reputation and strong distribution networks, these brands have been able to capture a portion of the luxury market.

  These luxury offerings from premium and masstige brands benefit from the brand's existing equity, which provides a sense of trust, reliability, and familiarity to customers. The strong distribution networks of these brands allow them to reach a wider customer base, including those looking for luxury products within their preferred brand.

  While the luxury offerings from premium and masstige brands may not have the same level of exclusivity or customization as dedicated luxury brands, they still provide customers with access to high-quality materials, sophisticated designs, and premium finishes. Additionally, the affordability factor of these luxury offerings from premium and masstige brands makes them attractive to customers who aspire to own luxury products but are conscious of their budget.

  In summary, premium and masstige brands have ventured into the luxury market by introducing specific SKUs or luxury lines. Leveraging their brand reputation and distribution strength, these brands have successfully captured a portion of the luxury market, offering customers access to high-quality, aspirational luxury products within their preferred brand portfolio.

However, Indian luxury/super-premium provides superior customer service to importers because of their manufacturing and retail combo

In the realm of luxury and super-premium furniture, Indian brands have gained prominence for their ability to provide superior customer service compared to importers By having control over the entire production and distribution process, these brands can curate exceptional customer experiences, ensuring a seamless journey from manufacturing to retail. In addition, imported products that 4 to 6 months to deliver a customised furniture or kitchen.

Aspects	Importers	Indian manufacturers
Lead time	Longer lead time (typically 3-4 months)	Shorter lead time (3-4 weeks)
Customisation	Typically source from different manufacturers so customisation possibilities are limited to range of colours, finishes etc.	Collaborate directly with customers to create bespoke pieces
Warranty Support	Coordination and communication between various entities leads to complexity in warranty support	Control over entire production process provides smoother experience
After-sales Support	Reliance on external manufacturers reduces uniformity in customer service and handling inquiries	Seamless & tailored customer experience due to customer service teams that possess in depth knowledge of products
Design Innovation	Limited designs	Broader range of designs and flexibility to experiment with materials/aesthetics

Source: Redseer research

The manufacturing and retail combo empowers Indian furniture manufacturers to offer a seamless, customized, and customer-centric experience. By having control over the manufacturing process and direct interaction with customers, they can provide superior customer service that sets them apart from importers.

LUXURY/SUPER-PREMIUM CATEGORY IS MADE UP OF FOREIGN BRANDS/IMPORTERS WITH FEW DOMESTIC INDIAN BRANDS STANDING TALL

There are three types of brands operating in India: Domestic, Foreign and Aggregators (Importers of various global brands)

Majority of the luxury/super premium brands are foreign brands or act as an aggregator, they import European luxury furniture and sells through their retail outlets or stores with few having their own manufacturing unit and categories. There are only a few Indian brands operating in the luxury & super premium segment.

Source: Redseer research, Data as of July 2023, brand list is non-exhaustive

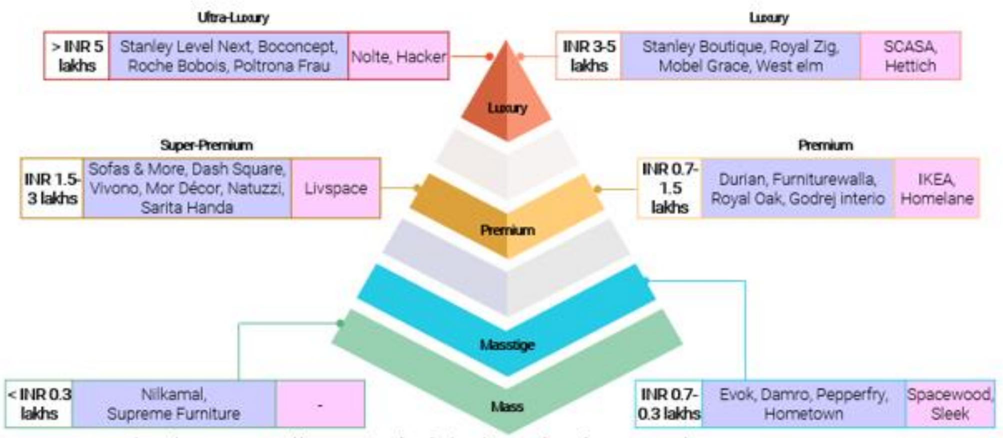
Segmentation of Indian furniture, home goods brand basis price

Within the Indian furniture, home goods & interiors market, multiple categories can be identified based on the price of products offered. Luxury brands cater to the rich and affluent, offering sofa sets priced above ₹ 0.4 million. Super-premium brands cater to a slightly broader audience, with sofas ranging from INR 0.05 to 0.4 million. These categories primarily consist of a mix of foreign players, importers, and a few domestic players like Stanley Lifestyle with their brands Stanley Level Next, Stanley Boutique and Sofas & More and More Décor. `

As we move down the price spectrum, the premium category takes the spotlight, featuring renowned brands such as IKEA, Royal Oak, and Durian. These brands strike a delicate balance between quality and affordability, appealing to affluent and high-income households across India.

Segmentation of Indian furniture market by price

Furniture brands   Home interiors



Notes: Furniture brands is segmented basis price of Sofa (3+2) & number of SKUs in each price range. Home interior is segmented basis price of cost per sq. ft charged. Brand list is non-exhaustive.
Source: Redseer research, Data as of July 2023

Stanley Lifestyles has the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian companies present across various price points, i.e., super-premium, luxury, and ultra- luxury segment, through their various brands like Stanley Level Next, Stanley Boutique and Sofas & More.

Luxury/super-premium brands offer comprehensive customisation options, but only a few, primarily Indian brands have established their own manufacturing setups.

Luxury/Super-Premium brands- Category wise presence

Brands	Living + Dining rooms	Bedroom	Kitchen cabinets	Complete home solution
Stanley Lifestyle	✓	✓	✓	✓
Roche Bobois	✓	✓	×	×
SCASA	✓	✓	✓	✓
BoConcept	✓	✓	×	×
Poltrona Frau	✓	✓	✓	✓
Royal zig	✓	✓	✓	×
West elm	✓	✓	×	×
Vivono	✓	✓	×	×
Natuzzi	✓	✓	×	×
Dash square	✓	×	×	×
Mor décor	✓	✓	×	×
Ashley Furniture	✓	✓	×	×
Sarita Handa	✓	×	×	×
Simply Sofas	✓	×	×	×
Mobel Grace	✓	✓	✓	×

Notes: Non-availability is based on the data from website
Source: Redseer research, Data as of July 2023, brand list is non-exhaustive

Among the luxury and super premium furniture brands operating in the Indian market, there are only couple of brands which provides complete home solutions. Majority of the listed brands operate and mainly serve under few key items across the categories.

The luxury and super-premium furniture market in India is highly competitive and segmented, with both unbranded and branded players competing for market share. Other than local players like Stanley Lifestyles there are many European brands present in the luxury and super-premium furniture industry who design and manufacture and then import their products into India.

It is important to note that among luxury furniture brands, Indian brands like Stanley Lifestyle, Royal Zig, Sarita Handa and Mor Decor are the only players who have their manufacturing units in India. Over the years, Stanley Lifestyles has transformed into a comprehensive provider of home solutions and is one of the few super-premium and luxury brands in India that provides a wide range of home solutions offerings, such as sofas, armchairs, kitchen cabinets, beds, mattresses, and pillows, amongst others. Stanley Lifestyles portfolio includes a wide selection of premium leather sofas which are expensive compared to non-leather/fabric alternatives. Post liberalisation as demand for leather goods grew, Stanley Lifestyles was among the few super-premium/luxury furniture players to offer leather sofas in India. Stanley Lifestyles was one of the largest importers of leather in India for furniture manufacturing purposes in Fiscal 2022.

Revenue earned by the luxury/super-premium brands is a testament to its acceptance among the Indian customers.

Luxury/Super-Premium brands – Revenue and market share for FY 22

Brands	Revenue In INR Cr (USD Mn)	Luxury market share (In %)	PAT (In %)	ROCE (In %)
Stanley Lifestyles	292.2 (36.5)	5.6%	7.9%	13.4%
Roche bobois	NA	NA	NA	NA
SCASA	NA	NA	NA	NA
Boconcept	27.6 (3.5)	0.53%	5%	34.1%
Poltrona Frau	14.2 (1.8)	0.27%	2.8%	6.4%
Royal zig	0.6(0.1)	0.01%	3%	11.4%
West elm	NA	NA	NA	NA
Vivono	19 (2.4)	0.4%	2%	24%
Natuzzi	NA	NA	NA	NA
Dash square	NA	NA	NA	NA
Mor décor	NA	NA	NA	NA
Ashley Furniture	NA	NA	NA	NA
Sarita Handa	NA	NA	NA	NA
Simply Sofas	0.03 (0.004) (FY 21)	0.005%	NA	NA
Mobel Grace	12.3 (1.5)	0.3%	5.5%	16.1%

Notes: Companies whose revenues are not listed from last 2-3 years/unavailability of company name are indicated as NA. Stanley lifestyles overall revenue for FY 22 stands at 291.8 of which OEM and IKEA represent a share of 30%.

Stanley Lifestyles are one of the few Indian super-premium and luxury furniture manufacturing company in India that is completely integrated, possessing the ability to manufacture products and distribute them through their own network of retail stores. Having no significant direct competition from local brands which operate at the same level as Stanley Lifestyles and the imported products taking higher delivery time, Stanley Lifestyles is among the very few home-grown luxury home furniture brands that is positioned to capture in the emerging premiumisation stage of the Indian housing market.

Stanley Lifestyles are among one of the few vertically integrated luxury furniture manufacturers in India combining experienced and semi-skilled craftsmanship in their manufacturing process. They are also one of the few organized vertically integrated furniture manufacturers with infrastructure capable of manufacturing and producing furniture for every room.

Premium furniture manufacturing relies heavily on skilled labour, as it is a labour-intensive program. Stanley Lifestyles's operations encompass skilled craftsmanship, specifically through the utilization of job workers who have abundance knowledge in customization of the furniture to give a human touch to the products under one roof. This creates significant barriers to entry for any new player which does not have the requisite infrastructure, and the skilled craftsmanship that we have to design, stitch and manufacture products.

Luxury/super-premium brands primarily differentiate their products through customisation options and very few players in the Indian luxury/super-premium furniture market offers this service.

Luxury/Super-Premium brands – Revenue and market share for FY 22

Brands	Revenue In INR Cr (USD Mn)	Luxury market share (In %)	PAT (In %)	ROCE (In %)
Stanley Lifestyles	292.2 (36.5)	5.6%	7.9%	13.4%
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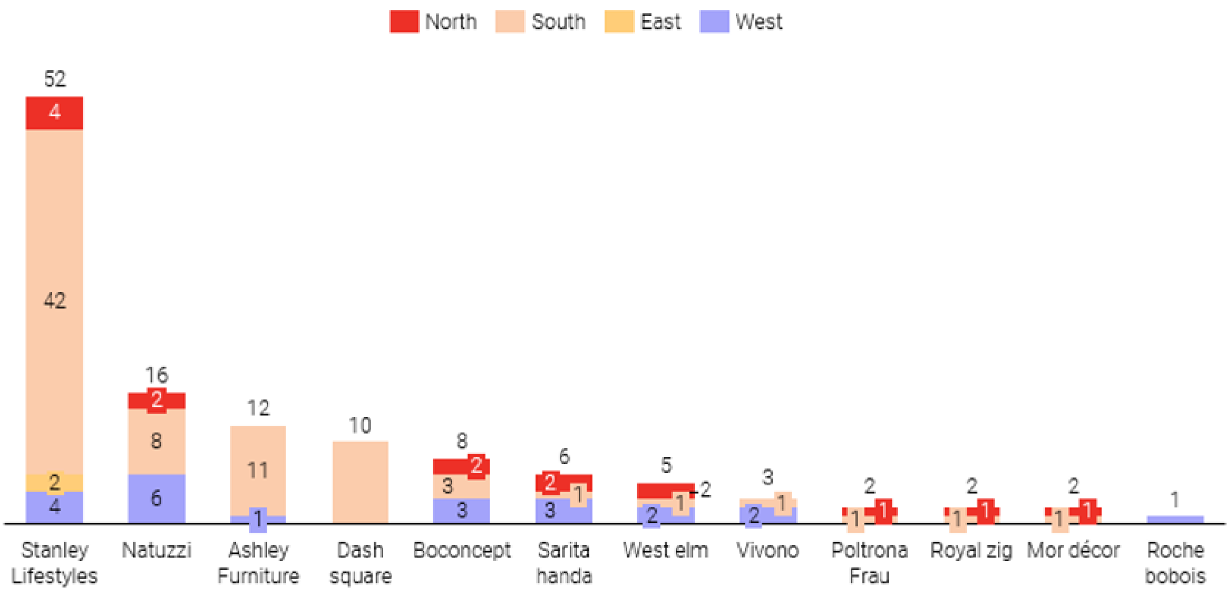
West elm	NA	NA	NA	NA
Vivono	19 (2.4)	0.4%	2%	24%
Natuzzi	NA	NA	NA	NA
Dash square	NA	NA	NA	NA
Mor décor	NA	NA	NA	NA
Ashley Furniture	NA	NA	NA	NA
Sarita Handa	NA	NA	NA	NA
Simply Sofas	0.03 (0.004) (FY 21)	0.005%	NA	NA
Mobel Grace	12.3 (1.5)	0.3%	5.5%	16.1%

Notes: Companies whose revenues are not listed from last 2-3 years/unavailability of company name are indicated as NA. Stanley lifestyles overall revenue for FY 22 stands at 291.8 of which OEM and IKEA represent a share of 30%.

Stanley Lifestyles is among the few home-grown super-premium & luxury consumer brands in India operating at scale in terms of manufacturing and retail operations in Fiscal 2022. They are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022. Furthermore, Stanley Lifestyles have one of the highest PAT margins among major Indian furniture companies. This makes them unique in being the only company in the segment operating at a significant scale while maintaining such a high level of profitability. Stanley Lifestyles are also the fourth largest player in India when we consider only the home furniture segment in terms of revenue in Fiscal 2022.

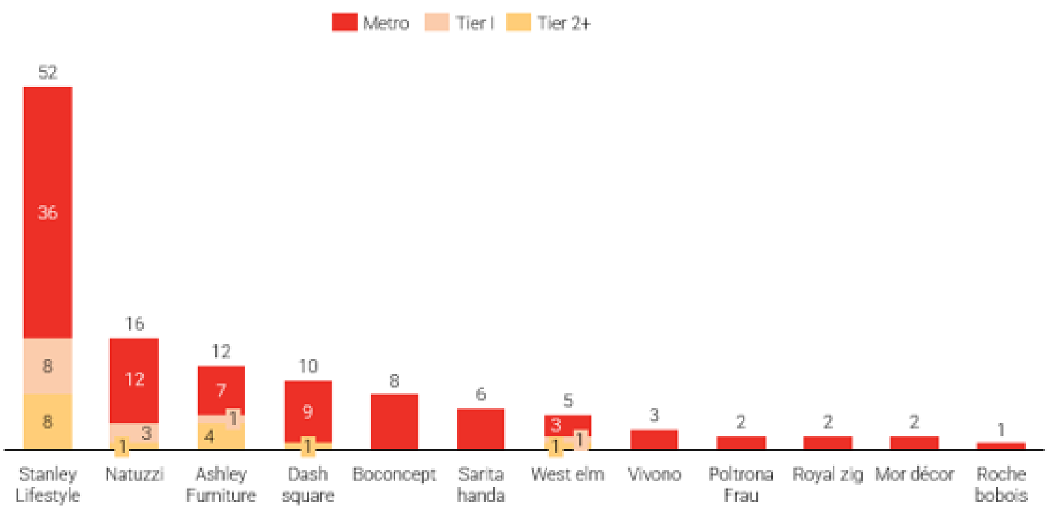
Luxury/Super-Premium brands- Region wise presence



Note: North region includes Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Chhattisgarh, Madhya Pradesh & Uttar Pradesh. Eastern region includes Bihar, Jharkhand, West Bengal, Orissa, Sikkim, Assam. Western region includes Goa, Gujarat & Maharashtra. Southern region includes Andhra Pradesh, Karnataka, Kerala & Tamil Nadu.
Source: Redseer research, Data as of July 2023, brand list is non-exhaustive

The luxury/super-premium furniture stores across the country are largely concentrated in metro cities. All the major brands have a skewed presence towards metro cities as these cities provide a larger affluent customer base. These cities also have well developed infrastructure, high street retail destinations. While metros remain the primary focus for luxury retail, opportunities also exist to explore tier 2 and tier 3 cities as they exhibit growing potential and evolving consumer aspirations. As of June 30, 2023, Stanley Lifestyles' s retail presence was thrice the size of its nearest competitor in the luxury/super-premium furniture industry giving us the market advantage.

Luxury/Super-Premium brands- Tier wise presence



Note: Metro cities (8 cities) includes Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Kolkata, Pune, and Ahmedabad. Tier 1 cities (20 cities) include non-metro cities with population more than 1 Mn. Tier 2+ cities (4400+ cities) includes non-metro cities with population less than 1 Mn.
Source: Redseer research, Data as of July 2023, brand list is non-exhaustive

STANLEY LIFESTYLES TOTAL ADDRESSABLE MARKET IN INDIA AND PRESENT CATEGORIES

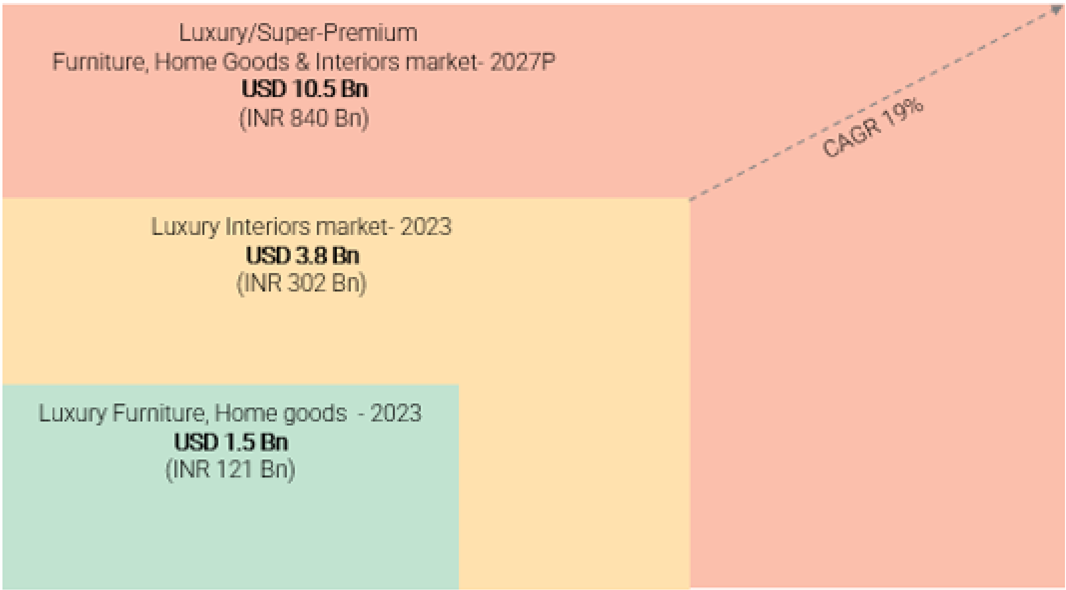
In 2023, Stanley Lifestyles has an addressable market of approximately US$ 5.3 billion (INR 423 billion), projected to grow to approximately US$ 10.5 billion (INR 840 thousand billion) by 2027.

Stanley Lifestyles are among the first few homegrown luxury/super-premium furniture brand and are the largest in terms of number of stores and the fastest in terms of revenue growth growing brand in the segment. As of June 30, 2023, Stanley Lifestyles had the largest chain of retail outlets that offer luxury furniture products in India.

Their current suite of offerings focuses on the luxury furniture, home goods, and home interiors market in India. Within this market, the organized luxury segment, which includes sales through brick-and-mortar stores and online platforms, is experiencing significant growth. Growth in this segment is driven by factors such as rising nuclearization, increasing women's workforce, changing consumer preferences, higher disposable incomes, the influence of social media, rising housing projects, and the growth of the tourism and hospitality industry.

Given the size of Stanley Lifestyles Limited's manufacturing as well as retail operations and the diversified home solution offerings, there are no directly listed companies in the same industry in India that follow a similar business model with whom their operations can be compared. Globally, while based on a comparison of product offerings and key features, the Company competes with Roche Bobois, Natuzzi and West Elm (a subsidiary of Williams Sonoma, Inc) which are listed on Euronext Paris, New York (NYSE) (both Natuzzi and West Elm) stock exchanges, however, the size of their operations and business cannot be compared to Stanley Lifestyles business model. Accordingly, it is not possible to provide an industry comparison.

India Luxury/Super-Premium Furniture, Home Goods & Interiors Market
Sales, FY 23 & 27P



Source: Redseer research

Category	Overall market (2023)	Overall market (2027P)	CAGR (2023-27P)	Luxury/super-premium market (2023)	Luxury/super-premium market (2027P)	CAGR (2023-27P)
	In USD Bn (INR Bn), except for %					
Furniture	10.5 (INR 838 Bn)	27.8 (INR 2200 Bn)	28%	0.8 (INR 67 Bn)	2.8 (INR 223 Bn)	35%
Home Goods	8.6 (INR 686 Bn)	21 (INR 1600 Bn)	25%	0.7 (INR 55 Bn)	2.1 (INR 169 Bn)	32%
Interior market	21 (INR 1700 Bn)	37 (INR 3900 Bn)	15%	3.8 (INR 302 Bn)	5.6 (INR 444 Bn)	10%

Source: Redseer research

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 26, 235 and 320, respectively, for a discussion on certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 235. Additionally, please see "Definitions and Abbreviations" on page 1 for certain terms used in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Deep Dive into Luxury and Super-Premium Furniture Industry" dated September 2023 (the "**RedSeer Report**") prepared and issued by RedSeer Management Consulting Private Limited, pursuant to an engagement letter dated April 11, 2023. The RedSeer Report has been exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the RedSeer Report and may have been re-ordered by us for the purposes of presentation. A copy of the RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose." on page 49. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

Overview

Who We Are

We are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022. We are also among the few home-grown super-premium and luxury consumer brands in India operating at scale in terms of manufacturing as well as retail operations. (*Source: RedSeer Report*) Further, we are the fourth largest player in the home furniture segment in India in terms of revenue in Fiscal 2022. (*Source: RedSeer Report*) We have the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands. (*Source: RedSeer Report*)

Crafting Luxury – The "Stanley" Brand

We retail our furniture products under the *"Stanley"* brand. Over the years, we have developed brand recognition and customer loyalty through our quality products, as well as targeted marketing strategies and advertisement campaigns such as "*Beautiful Living*", "*Design Glamour*", "*Luxury Unlimited*" and "*Bed of Dreams*". We believe that our customers are our ambassadors, that generate publicity for the "Stanley" brand through testimonials and endorsements and word of mouth advertising.

Our Journey

Our Promoters commenced operations by providing car seat leather upholstery services for leading global automotive brands and subsequently transitioned to retailing luxury furniture in India. Leveraging the experience of our Promoters in offering luxury leather upholstery, we opened our first retail store in Bengaluru, Karnataka in 2011. Over the years, we have transitioned from a sales driven model towards design led operations and have transformed into a comprehensive provider of home solutions. Over the years, we have transformed into a comprehensive provider of home solutions and are the only super-premium and luxury Indian brand that provide a wide range of home solutions offerings, such as sofas, arm chairs, kitchen cabinets, beds, mattresses and pillows, amongst others. (*Source: RedSeer Report*)

The table below provides details of the industry price points and our presence:

Industry Price Point*	Presence	Category	Products
Ultra-Luxury (₹ 0.50 million and above)	Stanley Level Next	Kitchen and Cabinetry, Sofas, Beds and Mattresses and Cased Goods	Kitchen, Wardrobe, Sofa, Recliner, Dining Set, Centre Table, Side Table, Console, Bed and Mattress
Luxury (₹0.30 million - ₹0.50 million)	Stanley Boutique	Kitchen and Cabinetry, Sofas, Beds and Mattresses and Cased Goods	Kitchen, Wardrobe, Sofa, Dining Set, Centre Table, Side Table, Console, Bed and Mattress

Industry Price Point*	Presence	Category	Products
Super Premium (₹0.15 million - ₹0.30 million)	Sofas & More by Stanley	Sofas, Beds and Mattresses and Cased Goods	Sofa, Recliner, Dining Set, Centre Table, Side Table, Console, Bed and Mattress

* *Industry price point and brand presence is segmented basis price of Sofa (3+2) and number of SKUs in each price range. (Source: RedSeer Report)*

Manufacturing-Retail Model

We design, manufacture and retail our products through our own network of pan-India stores. According to the RedSeer Report, we are among the top four Indian super-premium and luxury furniture manufacturing company in India that is completely integrated, possessing the ability to manufacture our products and distribute them through our own network of retail stores. We believe that our in-house manufacturing operations coupled with our retailing model, differentiates us from other Indian and foreign furniture brands. Our integrated model provides us with the ability to have complete control over our processes, ranging from procurement of raw materials, designing our products, manufacturing, quality control, marketing, and ultimately sale of our products.

We offer customers bespoke products by leveraging the skilled craftsmanship of our employees. Our employees possess expertise across various processes that we deploy as part of our operations which include leather marking, cutting, carpentry, sewing and stitching, metal work and polishing. As of June 30, 2023, the total number of craftsman associated with our new product development division were 61 (including permanent employees and craftsmen on contractual basis). We focus on attention to detail while blending unique manufacturing techniques with contemporary design to deliver a truly distinctive product experience and offer luxurious offerings to customers. Almost all of our products under our "*Stanley Level Next*" and "*Stanley Boutique*" brands include handcrafted elements.

Over the years, we have developed long-standing relationships with our vendors which allows us to source quality raw materials, including leather and Forest Stewardship Council ("**FSC**") certified timber used in our operations. We use premium quality leather sourced from green certified tanneries across Europe while the timber used to manufacture our products is sourced from vendors across South-East Asia. We are also one of the largest importer of leather in India for furniture manufacturing purposes in Fiscal 2022. (*Source: RedSeer Report*) In our experience, the ability to oversee various processes results in better product quality, and reduced delivery timelines and we believe that our ability to adapt to customers' requirements and preferences allows us to manufacture furniture for every room of a home.

Retail Presence

We market and sell our products through our network of stores. We believe our stores are the first step towards entering the world of luxury furniture for our customers. Over the years, we have significantly expanded our network of stores and as of June 30, 2023, we operated 34 'company owned and company operated' or "**COCO**" stores all located in the major metro-cities of Bengaluru, Chennai, New Delhi, Mumbai and Hyderabad and 21 'franchisee-owned and franchisee-operated' or "**FOFO**" stores in 22 cities across nine States and Union Territories in India. We have also experimented at one of our existing store located at Hosur Road, Bengaluru, Karnataka to include different store formats, *i.e.*, "*Stanley Level Next*" and "*Sofas & More by Stanley*" at a single location which provides an opportunity to potential customers to experience the complete "*Stanley*" brand experience under one roof.

Illustrative images of certain of our stores across different formats

The table below sets forth certain details of our retail operations (including our COCO and FOFO stores) for the dates / periods indicated:

Particulars	**As of / Year Ended March 31,**		
	2021	**2022**	**2023**
New stores opened during the Fiscal[1]	6	16	14
Stores closed during the Fiscal	3	1	-
Total number of Stores opened			
- Stanley Level Next	-	2	1
- Stanley Boutique	-	1	3
- Sofas & More by Stanley	5	12	9
- Others[2]	1	1	1
Total	**6**	**16**	**14**
Cities	3	10	9

Note:
(1) Subsequent to March 31, 2023, we have opened one store under the "Sofas & More by Stanley" format.
(2) Others include two D Eight, and one Stanley Personal stores.

Industry Opportunity

The increase in national GDP and the growth witnessed by the Indian economy in the last decade has created a new upper middle class with demands for luxury and premium housing. (*Source: RedSeer Report*) The increase in sales in the luxury and premium housing categories has witnessed an increase in demand for high-end furniture. (*Source: RedSeer Report*) The increasing demand for housing, interior design services, furnished options, renovations, and evolving housing trends all contribute to the expansion of the furniture market as it caters to the furnishing needs of properties in the real estate sector. (*Source: RedSeer Report*)

Having no significant direct competition from local brands that operate at the same level as our Company and imported products requiring longer delivery times, *i.e.*, four to six months to deliver a customized furniture or kitchen, we are among the few home grown luxury furniture brands that is positioned to capture the emerging premiumisation of the Indian housing market. (*Source: RedSeer Report*)

In addition, the Make in India initiative by the Government of India, promoting Indian manufactured products and imposing tariffs on imported products, will further lead to an increase in demand for our products in the event any such steps are taken by the Government of India on imported furniture products. (*Source: RedSeer Report*) To that extent, the Government of India is in discussions with the major players in the industry, including our Company, to implement production linked incentives for the furniture industry. (*Source: RedSeer Report*)

The strength of the "Stanley" brand and our track record of providing high quality indigenously manufactured products makes us uniquely positioned to capitalize on these emerging trends and demands.

Financial Highlights

Over the last three Fiscals, we have consistently grown our revenue from operations. Further, our Gross Profit has also been increasing over the last three Fiscals. In addition, we have been consistently profitable over the last 10 years. We believe this is a result of our ability to address customer requirements, our wide product portfolio and the "Stanley" brand recall.

The following table sets out parameters in relation to our financial performance as of and for the relevant dates / periods:

Particulars	As of / For the Year ended March 31,			CAGR[(3)] (%) (Fiscal 2021 through Fiscal 2023)
	2021 (₹ million)	2022 (₹ million)	2023 (₹ million)	
Revenue from Operations	1,957.80	2,922.04	4,189.98	46.29%
Gross Profit[(1)]	982.40	1,481.52	2,147.11	47.84%
EBITDA[(2)]	297.75	590.08	827.17	66.68%
Restated Profit for the Year	19.23	232.19	349.77	326.48%

Notes:
(1) Gross Profit is calculated as revenues from operations less the cost of goods sold. Cost of goods sold is the sum of cost of materials consumed, purchases of stock-in-trade and increase/ decrease in inventories.
(2) EBITDA is calculated as restated profit for the year, plus total tax expenses, finance costs and depreciation and amortization expense less other income.
(3) CAGR is calculated as (ending value / beginning value) ^ (1 / number of years) – 1.

The following table sets out parameters in relation to our financial performance as of and for the relevant dates / periods:

Particulars	As of / For the Year ended March 31,		
	2021	2022	2023
Gross Margin[(1)]	50.18%	50.70%	51.24%
EBITDA Margin[(2)]	15.21%	20.19%	19.74%
PAT Margin[(3)]	0.98%	7.95%	8.35%
ROCE[(4)]	5.52%	12.90%	16.63%
ROE[(5)]	1.03%	11.81%	16.29%

Notes:
(1) Gross Margin is calculated as gross profit divided by revenues from operations.
(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
(3) PAT Margin is calculated as restated profit after tax for the year as a percentage of revenue from operations.
*(4) Return on Capital Employed (%) is calculated as earnings before interest and tax ("**EBIT**") divided by Capital Employed. EBIT is calculated as restated profit for the year plus total tax expense plus finance costs and Capital Employed is calculated as the sum of total equity, current borrowings, non-current borrowings, current lease liabilities, non-current lease liabilities and as reduced by goodwill on consolidation, intangible assets and intangible assets under development.*
(5) Return on Equity (%) is calculated as restated profit after tax divided by average shareholder's equity.

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, and Return on Equity, see "*Other Financial Information – Non GAAP Financial Measures*" on page 313.

COMPETITIVE STRENGTHS

Our key competitive strengths include the following:

- Largest and the fastest growing brand in the luxury/super-premium furniture segment;
- Comprehensive home solutions provider with offerings across categories and price points;
- Pan-India presence with strategically located stores;
- Focus on design-led product innovation;
- Vertically integrated manufacturer with skilled craftmanship capabilities;
- Efficient business model with track record of delivering financial growth; and
- Promoter-led company with experienced professional and senior management team.

Largest and the fastest growing brand in the luxury/super-premium furniture segment

We are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022 and the largest in terms of number of stores and the fastest in term of revenue growth growing brand in the furniture segment. (*Source: RedSeer Report*) Our revenue from operations increased from ₹ 1,957.80 million in Fiscal 2021 to ₹ 4,189.98 million in Fiscal 2023 at a CAGR of 46.29%. According to the RedSeer Report, as of June 30, 2023, our retail presence in India was three times the size of our nearest competitor in the luxury/super-premium furniture industry.

Our Promoters, who are first generational entrepreneurs have focused on building the Stanley brand by using leather products to provide premium crafted automotive seating products under the "Stanley" brand in the Indian market which we believe laid the foundation for our ongoing commitment to craft quality home solution products.We have been able to leverage our Promoter's experience to position the "*Stanley*" brand to make it synonymous with exclusivity, premium quality and high degree of personalization. We believe that each customer should have the opportunity to personalize their furniture according to their preferences, aligning with our core philosophy of offering "*bespoke high quality products*".

In addition, our skilled craftsmanship also plays a significant role in strengthening the "Stanley" brand appeal. The skills of our craftsmen add a distinct touch of elegance and refinement to our product offerings which we believe, further resonates with our customers, instilling confidence in the quality and craftsmanship associated with the "Stanley" brand. By consistently delivering meticulously crafted products, we have elevated the "Stanley" brand appeal and fostered customer loyalty.

Further, we have continuously invested in increasing brand awareness to enhance the appeal for our products by highlighting their luxurious and bespoke nature. To improve top-of-mind recall, we have engaged in targeted marketing campaigns such as "*Beautiful Living*", and "*Bed of Dreams*", and "*Luxury Unlimited*" to ensure that the "Stanley" brand remains visible and memorable. We promote our products across various media including through full page or half-page advertisements in prominent newspapers and in leading premium lifestyle magazines, home décor magazines, airline inflight magazines, and fashion magazines. We also advertise on large billboards strategically placed across cities. By staying top-of-mind, we aim to further strengthen loyalty towards the '*Stanley*' brand.

Our stores complement the "*Stanley*" brand and are dedicated to providing personalized solutions to customers. As part of our design-led sales model, our designers guide customers on various customization options. Our customers have an opportunity to experience our products by selecting the design, type and colour of leather and upholstery to match their preferences and style. Our after-sales support and services are designed to resolve issues that customers may encounter in a seamless manner. In our experience, when customers experience our commitment to their satisfaction firsthand, they are more likely to speak positively about their interactions with the "*Stanley*" brand. This, in turn, leads to valuable word-of-mouth publicity, as they share their positive experiences with friends, family, and colleagues. We believe that these endorsements serve as testimonials, further enhancing the appeal of the "*Stanley*" brand and attract potential customers.

Comprehensive home solutions provider with offerings across categories and price points

We endeavor to cater to all home furnishing needs of our customers and establish ourselves as a one-stop destination for their complete home experience. Our product portfolio includes sofas, cabinetry and furniture for living rooms, dining rooms, family rooms, kitchens, bedrooms (including bedding products), and home offices, offering complete home solutions including installations. We have continuously expanded our product offerings by leveraging the "Stanley" brand in delivering luxury products into mid and premium categories and expanding our capabilities to offer furniture and accessories for every room of the home. For further information on our products, see " – *Business Operations – Our Products*" on page 183. As of June 30, 2023, we offered our customers an opportunity to select products across multiple catalogues, designs, configurations and SKUs with options offered in 10 different types and over 300 colours of leathers and fabrics that can be used in various combinations. By offering a diverse range of furniture and home solutions, we enable our customers to achieve a coordinated aesthetic throughout their living spaces.

Further, the growing shift in consumer behaviour towards established branded stores *(Source: RedSeer Report)* will further help us to grow our market share and target new customers. In Fiscal 2021, the organised market accounted for 23% of the total furniture and home goods market, which increased to 26% by Fiscal 2023. *(Source: RedSeer Report)* Furthermore, by Fiscal 2027, the organised market is expected to contribute to 35% of the total market share, exhibiting an annual growth rate of 36%, which surpasses the growth rate of the traditional market. *(Source: RedSeer Report)*

We are committed to expanding our product portfolio at our stores. We have witnessed growth in our average billing size per customer (calculated as total sales in the relevant year per customer (combined over the a financial year) at certain of our stores where we have continuously expanded our product range. For instance, at our store located at Sadashivnagar, Bengaluru, Karnataka where we have introduced complete home solution products over the years, our average billing size per customer (combined over the financial year) has grown from ₹ 0.30 million in Fiscal 2021 to ₹ 0.49 million in Fiscal 2022 and further to ₹ 0.66 million in Fiscal 2023.We believe that with our extensive range of furniture and lifestyle products across various categories / price points, we are able to attract a diverse range of customers and cater to their varied preferences and needs. In our experience, this not only helps to build customer loyalty but also positions us for potential growth. Owing to our presence across categories, we are well positioned to grow our market share and continue to establish ourselves as a leading brand in the industry.

Pan-India presence with strategically located stores

We have an extensive pan-India retail presence across our various store formats which allows us to target various markets ensuring enhanced brand visibility. We have the largest network of retail outlets that offer luxury furniture products in India, as of June 30, 2023. (*Source: RedSeer Report*) We retail our furniture products primarily through our three store formats, each catering to a different segment of the market (i.e., ultra-luxury, luxury and super premium):

- **Stanley Level Next** targets customers in the ultra-luxury home solution price points.
- **Stanley Boutique** targets customers in the luxury category price points.
- **Sofas & More by Stanley** targets customers in the super premium price points.

Our stores are standalone stores that are strategically located across India to cover major markets, giving us a competitive advantage that, we believe, our competitors lack. We aim to open our stores in locations which will ensure effective penetration of our brands and products and cater to a large customer base. We factor in consumption patterns while opening a store in a particular city such as, presence of high net-worth individuals and ultra-high net-worth individuals, who previously were concentrated in metros, are now emerging in tier-I and tier-II cities nationwide, resulting in a substantial increase in luxury/super-premium expenditures. *(Source: RedSeer Report)*

The table below provides historical store size information about our "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas & More by Stanley*" stores as of June 30, 2023:

Store Format	**Average Store Size*** **(Square Feet)[(1)]**
Stanley Level Next	9,038.00
Stanley Boutique	6,554.00
Sofas & More by Stanley	6,551.00

**The average store size is an average size of the total number of stores as at June 30, 2023 corresponding to each store format.*

(1) *Average store size excludes the area of the hybrid store located at Hosur Road, Bengaluru, Karnataka which houses Stanley Level Next spread across 63,165.00 square feet and Sofas & More by Stanley spread across 11,000.00 square feet.*

Store Interiors

Stanley Level Next


Stanley Boutique


Sofas & More By Stanley


Our extensive retail presence ensures that we are able to cater to a wider range of customers and provide them with greater convenience and accessibility. Our limited store closures in the last three Fiscals are indicative of our ability to identify the right location for our stores and deliver strong operating profits. Our model of operating stores is further supported by streamlined store network planning, a robust supply chain network and an efficient staff recruitment, development and training program.

We have expanded our retail presence through a combination of COCO and FOFO stores, and we believe that we have a first-mover advantage in our industry and target market. Further, we have also experimented at one of our existing store located at Hosur Road, Bengaluru, Karnataka to include different store formats, i.e., "*Stanley Level Next*" and "*Sofas &More by Stanley*" at a single location in order to efficiently utilize the real estate and provide an opportunity to our customers to experience all our products across categories and price point at one location. At such store, different store formats are located at different levels maintaining their own independent store characteristics, such as look, products offered, dedicated employees for each of the different store formats and customization options available. We believe that such a strategy not only provide operational synergies, it also provides an opportunity for us to increase cross-selling opportunities by introducing our customers to various store formats and expand their buying opportunities. In addition, we endeavour to continuously undertake refurbishment of our existing stores to reflect recent trends and align customer expectations of a store experience with contemporary aesthetics.

The table below provides details of our physical presence as of June 30, 2023:

Format	As of March 31,						As of June 30, 2023	
	2021		2022		2023			
	Stores	Cities	Stores	Cities	Stores	Cities	Stores	Cities
Company Owned and Company Operated Stores								
Stanley Level Next	3	1	4	2	5	3	5	3
Stanley Boutique	7	5	7	5	9	5	9	5
Sofas & More by Stanley	8	1	14	2	17	2	17	2
Others[(1)]	1	1	2	2	3	2	3	2
Total (A)	**19**	**5**	**27**	**5**	**34**	**5**	**34**	**5**
Franchisee Owned Franchisee Operated Stores								
Stanley Level Next			1	1	1	1	1	1
Stanley Boutique	3	3	3	3	4	3	4	3
Sofas & More by Stanley	3	3	9	9	15	15	16	16
Total (B)	**6**	**5**	**13**	**11**	**20**	**17**	**21**	**18**
Total (A+B)	**25**	**9**	**40**	**15**	**54**	**21**	**55**	**22**

(1) Others includes D Eight and Stanley Personal stores.

The table below sets forth details of the revenue generated from sales for the periods indicated:

Store Category	Fiscal					
	2021		2022		2023	
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)
COCO	1,216.44	62.13%	1,759.45	60.21%	2,643.08	63.08%
FOFO	143.86	7.35%	258.88	8.86%	467.04	11.15%
Others[(1)]	597.49	30.52%	903.71	30.93%	1,079.87	25.77%
Total	**1,957.80**	**100.00%**	**2,922.04**	**100.00%**	**4,189.98**	**100.00%**

(2) Other include revenue from operations generated from contract manufacturing, leather automotive interiors, other B2B sales, trading of raw materials.

Further, the franchisee agreements range from three years to four years. In addition, certain of our franchisee partners operate multiple FOFO stores.

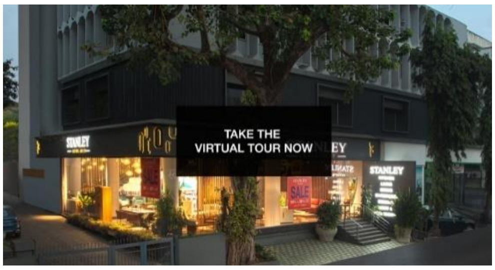
Virtual Tour Illustration

Stanley Level Next – Sadashivnagar, Bengaluru, Karnataka

Hosur Road, Bengaluru, Karnataka

Stanley Level Next - Banjara Hill, Hyderabad, Telangana

Stanley Level Next - Worli, Mumbai, Maharashtra



In our retail stores, we aim to recreate the scene of an actual home which is fully furnished which encourages the customers to buy several pieces as part of a single purchase. In addition, to providing a complete home experience at our physical stores, we have also utilized technology to introduce potential customers to the world of "*Stanley*" which includes offering a 360-degree virtual tour of certain of our flagship stores located in Bengaluru, Karnataka, Hyderabad, Telangana and Mumbai, Maharashtra. This provides our customers and target customers with the opportunity to experience our products from the comfort of their own homes, while still getting a feel for the ambience and layout of our stores. We believe that an integrated approach by integration of our website, and our physical stores are key to a fully immersive customer experience, as we can guide our customers through the journey of research, browsing and ultimately purchasing our products customized as per their requirements.

Focus on design-led innovation

Customer preferences vary across regions. With over 15 years of experience in retailing furniture products, we believe that we have been able to understand customer requirements, trends, design and style preferences. Based on our experience, we are able to design and style products that have luxurious international appeal that corresponds to Indian sentiment, style and sizing which we believe is well accepted across the country.

As part of our new product development capabilities, we designed and manufactured 88 new products in Fiscal 2023. Our product development division is spread over approximately 15,000 square feet at our Electronic City facility and as of June 30, 2023, we engaged two master Italian and also 84 employees for product design and development. To complement our product development, we have also invested in latest machinery and skill development for our craftsmen. In Fiscal 2021, 2022 and 2023, we introduced 24, 76 and 88 products, respectively, all under the "*Stanley*" brand which includes, modern power motion recliner sofas, home cinema seating and sofa-cum-beds, dining tables, storage beds, kitchens and cabinetry, walk-in wardrobes and laundry units.

Our design and development team has the ability to design trend-driven products to meet the demands of our customers which at the same time may also allow us to increase our customer base and expand our market share. We gather feedback from our customers as it plays an important role in shaping our product design process and by actively seeking their input, we are able to tailor our products to their specific requirements. This customer-centric approach ensures that we create designs that resonate with their needs and preferences. Further, in order to ensure that our products resonate with our commitment to providing luxury products, we engage experts from Europe and organize team visits to international furniture shows to enhance our team's skills and knowledge and to replicate them in our products.

We also continuously review and update or replace our product range to maintain and increase its relevance and quality. While designing our product catalogues, we bear in mind the demographics and characteristics of our target customers. We believe that our continuous efforts to introduce new products in the market ensure that our product catalogue is trendy, and fresh and reflects current customer preferences consistent with market trends.

Vertically integrated furniture manufacturer with skilled craftmanship capabilities

Vertically Integrated Operations

We are one of the few organized vertically integrated furniture manufacturers with infrastructure capable of manufacturing and producing furniture for every room (*Source: RedSeer Report*) operating two manufacturing facilities in Bengaluru, Karnataka and retail through our network of COCO and FOFO stores. Over the years, we have developed a vertically integrated model that gives us control over our processes, right from procurement of raw materials, design, production, marketing and retail.

Our integration allows us to introduce new products, monitor and control the quality of our products, reduce delivery timelines and gives us the ability to respond to customers' requirements and preferences which in our experience results into higher margins.

We have further optimized our manufacturing operations through streamlining our production processes and digitalization, product innovation based on the feedback of our customers, and brand value while reducing inventory levels and improving quality control. We have also taken steps to reduce our reliance on imports by sourcing certain quantities of our key raw materials such as leather and wood domestically. These measures are aimed at improving our supply chain and sourcing processes to ensure greater efficiency in our operations.

We constantly ensure that our design and manufacturing capabilities are aligned to provide quality products to our customers that distinguish us from the wider market. Our attention to design and quality manufacturing, we believe, is a core strength in delivering a unique offering to customers.

Manufacturing Facilities

We operate two manufacturing facilities located at Electronic City, Bengaluru, Karnataka and Bommasandra Jigani Link Road, Bengaluru, Karnataka. Of our two manufacturing facilities, the facility at Electronic City is dedicated to producing bespoke products all under the "*Stanley*" brand while the facility located at Bommasandra Jigani Link Road specializes in contract manufacturing for various multinational home furnishing players and manufactures products for our "*Sofas & More by Stanley*" brand.

Our state-of-the-art manufacturing capabilities and know-how ensure the reliability, craftsmanship, design and customization of our products, providing luxury home furniture with better aesthetics to customers.

We lay emphasis on quality control to ensure the quality and reliability of our products and have implemented a quality control system for monitoring the entire manufacturing process, identifying potential areas for improvement and taking actions for continuous optimization. As part of our quality control certifications, we have implemented *Occupational Health and Safety Management System in accordance with ISO 45001:2018 for manufacturing and supply of upholstered home and office furniture, car seats, leather products and kitchen cabinets*; *Quality Management System in accordance with ISO 9001:2015 for manufacture and supply of genuine leather upholstery*; and *Environmental Management System in accordance with ISO 14001:2015 for manufacture and supply of genuine leather upholstery* each awarded by TUV SUD South Asia Private Limited and received *Greenguard Certificate of Compliance for Manufacture, Supply & Installation of Furniture Like Sofa, Chairs, Table, Mattress, Beds, Leather Shoe, Bag, Metal Fabricated Furniture, Kitchen, Cabinets And Modular Furniture*.

Further, we believe that through our engagements with global brands, we have demonstrated our ability to consistently deliver high-quality products at scale, meeting rigorous standards and specifications of our partners. For instance, for our bedding products, we have licensed Scandinavian bed contrition formula. This reflects positively on our manufacturing expertise and enhances our reputation as a trusted and dependable partner for businesses looking to outsource their manufacturing requirements. As a result, leveraging our strengths we are well-positioned to explore new opportunities and expand our reach.

Skilled Craftmanship

Luxury/super premium furniture manufacturing relies heavily on skilled artisans and craftsmen, as it is a labour-intensive program with rigorous in-house (*Source: RedSeer Report*) Our team of skilled craftsmen utilizes their skill set and techniques in the manufacturing process to provide products with appealing designs. As of June 30, 2023, the total number of craftsman associated with our new product development division were 61 (including permanent employees and craftsmen on contractual basis).Through their expertise, we are able to produce products which combine intricate detailing and artistic flair. From the initial design phase to the precise cutting of leather and the stitching process, every step is executed in-house by our craftsmen.

Skilled Craftmanship Illustration

By consolidating these crucial stages of production in-house, we ensure coordination and maintain control over the entire manufacturing process. This, in our experience, also creates significant barriers to entry for any new entrant. Our integrated approach allows us to maintain the high standards of quality and craftsmanship, resulting in differentiated product offerings. The long tenure of our employees serves as a testament to the expertise we possess in designing and manufacturing our products which we believe is difficult to replicate.

Efficient business model with track record of delivering financial growth

Over the last three Fiscals, we have witnessed a significant growth in our EBITDA from ₹ 297.75 million in Fiscal 2021 to ₹ 590.08 million in Fiscal 2022 which further increased to ₹ 827.17 million in Fiscal 2023 while our EBITDA Margin was 15.21%, 20.19% and 19.74% in Fiscal 2021, 2022 and 2023, respectively. Our restated profit after tax for the year has grown significantly from ₹ 19.23 million in Fiscal 2021 to ₹ 232.19 million in Fiscal 2022, and further to ₹ 349.77 million in Fiscal 2023 at a CAGR of 326.48%. Our business model has resulted in positive cash flows over the years and our net cash flows from operating activities were ₹ 329.80 million, ₹ 285.23 million and ₹ 679.71 million in Fiscal 2021, 2022 and 2023, respectively.

Our Company's ability to address customer requirements, and a diversified product portfolio, have resulted in us being consistently profitable over the last 10 years. Our Return on Capital Employed was 5.52%, 12.90% and 16.63%, as of March 31, 2021, 2022 and 2023, respectively, while our Return on Net Worth was 0.56%, 10.69% and 15.18%, as of March 31, 2021, 2022 and 2023, respectively Further, according to the RedSeer Report, we are among the key Indian furniture companies with best-in class PAT margins in Fiscal 2022. (*Source: RedSeer Report*)

Promoter-led company with experienced professional and senior management team

We believe that building and scaling luxury brands in India is a challenging task, but our Promoters have successfully achieved it over the last two decades.

We have a motivated, professional and experienced management team with significant industry experience who have delivered growth and profitability. We believe that our management team has the skill and know-how to stay abreast of changes in the modern luxury furniture and lifestyle industry. Our Key Managerial Personnel and Senior Managerial Personnel includes our Group Chief Financial Officer, who brings in significant business expertise which positions us well to capitalize on future growth opportunities.

Each of them has extensive experience in the furniture industry and other key functions involved in our Company's business such as manufacturing, retail, advertising, finance, commercial operations, strategy, and business development. Further, the heads of functional groups, such as operations, finance and marketing, enhance the quality of our management with their specific and extensive industry experience.

STRATEGIES

To leverage our strengths we intend to implement the following strategies to increase our competitiveness and market share:

- Continue to expand our retail presence within India and abroad by leveraging the "Stanley" brand appeal;
- Continue to increase brand awareness;
- To evaluate and increase our presence in the B2B segment as well as enter into distribution arrangements;
- Further expand our product portfolio;
- To enter and expand into additional segments; and
- Leverage technology to enhance customer experience and grow our operations.

Continue to expand our retail presence within India and abroad by leveraging the "Stanley" brand appeal

Our expansion into newer markets offers us potential for market share gains, increased brand recognition and economies of scale. While we have in the past focussed on expanding our presence in India, however, going forward we intend to continue to increase our presence in India as well as expand our retail operations outside India including but not limited to regions in the Middle East and the South East Asia to address luxury furniture requirements of high-net worth individuals.

The table below provides details of COCO and FOFO stores opened in the last three Fiscals:

Region	Fiscal 2021*	Fiscal 2022**	Fiscal 2023***
South(1)	6	14	10
West(2)	-	1	1
East(3)	-	-	1
North(4)	-	1	2

Notes:

* *In Fiscal 2021, we opened three COCO Stores and three FOFO stores.*

** *In Fiscal 2022, we opened nine COCO Stores and seven FOFO stores.*

*** *In Fiscal 2023, we opened seven COCO Stores and seven FOFO stores.*

(1) *South region comprises Karnataka, Tamil Nadu, Kerala, Telangana and Andhra Pradesh.*

(2) *West region comprises Maharashtra.*

(3) *North region comprises New Delhi, and Uttar Pradesh.*

(4) *East region comprises West Bengal.*

With the increase of premium and luxury homes in India *(Source: RedSeer Report)*, we intend to increase our same city presence and target opening new stores across our all our formats in major metro cities while also expanding our presence in the markets where we are not currently present. To that extent, we intend to establish 24 New Stores between Fiscals 2025 to 2027, in the States and Union Territories of Delhi, Tamil Nadu, Telangana and Maharashtra through five of our Subsidiaries, i.e. ASPL, Sana Lifestyles, SRL, SDPL and SSPL

The number of stores we propose to open under each format are as follows:

Format	Total number of stores to be opened	Number of stores to be opened in Fiscal 2024	Number of stores to be opened in Fiscal 2025	Number of stores to be opened in Fiscal 2026	Number of stores to be opened in Fiscal 2027
Stanley Level Next	2	-	1	-	1
Stanley Boutique	9	-	4	2	3
Sofas & More by Stanley	13	-	7	3	3
Total	**24**	**-**	**12**	**5**	**7**

We propose to utilise an estimated amount of ₹ 901.27 million from the Net Proceeds towards establishment of such New Stores. The establishment of the New Stores is proposed to be undertaken entirely from the Net Proceeds of the Fresh Issue. For further information, see "*Objects of the Offer*" on page 87.

In addition, going forward, we may consider strategically acquiring stake from our partners in certain of our Subsidiaries. For example, we have in the past acquired stake of our partners in our Subsidiary, Sana Lifestyles, to make it a wholly-owned subsidiary and have effective control over retail operations and focus on improving profitability. Further, we will also continue to undertake refurbishment of our existing stores to align with our customer expectations. Under our renovation policy, once a particular format of store has completed five years of operations, we typically renovate such store. We intend to utilise an estimated amount of ₹100.40 million from the Net Proceeds to renovate 15 Existing Stores between Fiscals 2025 to 2027, in the States and Union Territories of Delhi, Tamil Nadu, Telangana, Maharashtra and Karnataka through our Subsidiaries ASPL, Sana Lifestyles, SDPL, SSPL and SRL, respectively. The renovation of "Stanley Level Next" stores will be undertaken through our Subsidiary, SRL; renovation of "Stanley Boutique" stores will be undertaken through our Subsidiaries, Sana Lifestyles, SSPL, and ASPL; and the renovation of stores under "Sofas & More by Stanley" will be undertaken through our Subsidiaries, SRL and SDPL

Further, leveraging our experience to operate different store formats, i.e., "*Stanley Level Next*" and "*Stanley Boutique*" at a single location at one of our existing store located at Hosur Road, Bengaluru, Karnataka, we intend to establish three Anchor Stores between Fiscals 2026 to 2027, each with an estimated average size of 30,000 square feet in the States and Union Territories of Delhi, Telangana, Maharashtra through three of our Subsidiaries, i.e., ASPL, SDPL and SSPL. The Anchor Store Format is a combination of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" Formats where luxury products are offered at a more affordable price. We intend to establish the first Anchor Store in Bengaluru, Karnataka in Fiscal 2024 and have entered into lease agreement for the same. We propose to utilise an estimated amount of ₹ 399.90 million from the Net Proceeds towards establishment of such Anchor Stores.

For further information, see "*Objects of the Offer*" on page 87.

As part of our efforts to open additional stores we undertake market research and analysis to identify potential locations for such stores. We will continue to adopt a methodical approach in evaluating and selecting suitable locations for the establishment of new stores, such as target customer segment concentration, market potential and accessibility. We anticipate that such expansion will further increase our market share and increase our profitability and revenue from operations.

In order to support the expansion of our presence, we may hire additional staff including general retail sales staff, retail shop managers and design consultants with adequate experience working in the furniture and lifestyle industry. We intend to conduct marketing campaigns and targeted advertisements highlighting the wide variety of products offered by us and our unique immersive customer experience.

Continue to increase brand awareness

We believe that the industry in which we operate, brand awareness and recognition are integral to growth and success. In Fiscal 2021, 2022 and 2023, our advertisement and business promotion expenses were ₹ 86.40 million, ₹ 85.47 million and ₹ 196.46 million, representing 4.41%, 2.93% and 4.69% of our revenue from operations, respectively.

We intend to continue to further develop and increase brand awareness by advertising in traditional media such as newspapers and through targeted digital media advertisements. We also intend to launch format specific target brand campaigns. For example, for "*Stanley Level Next*" we intend to participate in home and designs shows, targeted social media marketing and running luxury imagery advertisements in print and outdoors media. Further, going forward we will provide an omni-channel experience to customers to purchase products under "*Sofas and More by Stanley*" for which we will do targeted marketing by utilize algorithms of popular search engines.

We intend to also continue to provide effective training for our sales and design personnel in sales techniques and product knowledge. We believe that effective marketing is important for future revenue growth, enhancing the "*Stanley*" brand visibility, establishing relationships with target markets and selling our products in a competitive and cost-effective manner. We will continue to enhance customer experience to ensure more repeat business and increase wallet share from our customers.

Further, we intend to continue our collaboration with designers and architects to enhance the "*Stanley*" brand visibility and expand our market share. We will also continue to participate in major trade exhibitions and grow our presence and brand awareness by participating in new trade exhibitions to provide touch and feel opportunities. Increase our presence, and build relationship for our future expansion, if any.

To evaluate and increase our presence in the B2B segment as well as enter into distribution arrangements

While we have in the past taken limited mandates to provide premium and high-end luxury furniture products, however, due to premiumization of airports, corporate offices and high-end hospitals, we are witnessing a shift towards providing luxury furniture in these establishments to attract high-end customers. Going forward, to meet such demand, we will leverage the "Stanley" brand value and premium quality products to enter into the B2B segment. As a testament of our B2B capabilities, we recently designed and manufactured products for one of the new terminals of a major airport in India.

Further, while we will continue to focus on manufacturing and retailing products under the "*Stanley*" brand, however, in the event going forward we are provided with an opportunity to enter into a distribution arrangement with a leading foreign brand to distribute their products in India, we may also enter into such an arrangement to further grow our business. In addition, leveraging our expertise to manufacture products for global furniture players for whom we currently manufacture products as a contract manufacturer, we will continue to explore such opportunities in future for other global furniture and lifestyle players.

Further expand our product portfolio

In order to ensure that we meet the growing demands of our customers, we intend to continue our focus towards expanding our product categories and product portfolio to capture a higher wallet share from our customers. We intend to procure new machinery to enable us to design and manufacture new products in line with customer expectations. Accordingly, we intend to deploy ₹ 81.85 million from the Net Proceeds towards purchase of new machinery and equipment at our manufacturing facilities located at Electronic City, Bengaluru, Karnataka (operated by our Company) and Bommasandra Jigani Link Road, Bengaluru, Karnataka (operated by SOSL) and for undertaking civil works at our manufacturing facility located at Electronic City, Bengaluru, Karnataka. For further information, see "*Objects of the Offer*" on page 87.

We will leverage our past track record, by launching diversified offerings across our various format stores to further establish ourselves as a complete "one-stop" home solutions destination. We also propose to launch new lifestyles products which are trendy, contemporary and are more affordable in order to target new customer categories. For instance, we have successfully launched a new format store "*Stanley Personal*" to expand and diversify our product portfolio to include hand-crafted shoes, bags and other lifestyle products which aims to connect with a younger demographic, nurturing their affinity for the "*Stanley*" brand and paving the way for potential future engagements and further associates with certain categories of customers with the "*Stanley*" brand and quality, which are not yet furniture customers at this point in time. We believe that new customers who experience our products and brand for first time can learn about our journey and other product offerings across our different store format, which could help us to cross-sell our products across our store formats.

We seek to leverage our market position, to enable us to develop quality products, while ensuring that the "Stanley" brand remains distinctive and well differentiated from our competitors.

To enter and expand into additional segments

We have the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands. (*Source: RedSeer Report*)

We opened our first retail store under the "*Stanley Boutique*" format in Bengaluru, Karnataka in 2011 to provide an opportunity to customers to purchase high quality luxury leather furniture designed and manufactured in India. Realizing the demand-supply gap to provide top of the line luxury furniture products for Indian products, we launched "*Stanley Level Next*" format stores in the year 2018 by providing luxury bespoke furniture products for every room of the house at much higher price points generally suitable for larger villas, duplex and penthouses. Subsequently, with the growing demand of quality furniture in the mid-high segment due to increased purchasing power of home owners, we launched stores under "*Sofas & More by Stanley*" format in the year 2018 to offer mid-high end furniture backed with "*Stanley*" quality suitable for apartments, independent houses and condominiums. As a result of being present in the luxury and high-end formats, we tweaked our product offerings under "*Stanley Boutique*" format to cater to aspirational luxury customers, who may seek to purchase premium luxury furniture.

Going forward, we will continue to follow a similar strategy to enter into and expand our presence across different segments, in the event there is a demand for products under particular price range in which we are not currently present. For example, in future, if there are demand from customers for quality products in affordable category and who cannot afford mid-high category price range products offered by us under "*Sofas & More by Stanley*", we may launch a different store format addressing the demands from such customers and further increase our market share.

In addition, in order to streamline our operations, we may also seek to establish product specific store format to increase our retail and online presence. For example, for our beds and mattresses products, since they require less customization and can be sold in specific sizes, we may open standalone retail stores as well as sell them through our websites which would also help us to utilize limited real estate market with better operational results.

Leverage technology to enhance customer experience and grow our operations

We intend to continue to innovate and invest in processes and technologies to provide a consistent and integrated experience to our customers through the use of technology and data-driven processes. To this end, we intend to invest capital in a sustained manner to optimize our operations for reliability, speed, and accuracy on a pan-India level. Data-driven decision-making is core to all segments of business, including our sales team, our product supply team, revenue management, our technology team, and our operations team. We believe there is an opportunity and potential for greater integration across our product offerings, using our data stack. We intend to also undertake data analytics that will allow us to better understand customer preferences, improve sales and help scale our operations. We will continue to invest in adding and building new features for each part of our business including our websites for seamless integration between offline and online experience for your customers and expand our 360 degrees visualization across all of our stores including the FOFO stores.

In addition, we also intend to automate the design process for our various products and for that purpose intend to use the design software which is currently being used for kitchen products to other products such as bedding. Going forward, we also intend to provide a complete home experience to our customers similar to our retail stores on our platform, keep them up to date with the inventory that is available at each of the stores and allow them to also customize the products as per their requirement from various options available on our platform. We expect that, over time, with increasing integration of technology in our end-to-end operations our operating costs will reduce thereby improving our operating margins.

BUSINESS OPERATIONS

We design, manufacture and retail our products through our own network of pan-India stores. According to the RedSeer Report, we are one of the few organized vertically integrated furniture manufacturer with infrastructure capable of manufacturing and producing furniture for every room. (*Source: RedSeer Report*) We believe that our customized manufacturing operations coupled with a distinctive retailing model, differentiates us from other Indian and foreign furniture brands. Our integrated model provides us with the ability to control our processes, ranging from procurement of raw materials, to design of our products, manufacturing, quality, marketing, and ultimately sale of our products.

Our Products

Seating

We are primarily engaged in the design, production and sale of seating products majority of which can be customized in various configurations such as four seater or three seater sofas, leg options and upholstery options such as Scandinavia Max, Euro Nappa / Tuscana Nova Cashmere / Poach Molba.

Seating Products

Sofas

Sofa-cum-Bed

Recliners

Dining Chairs

Pouffes

Bar Stools

Cushions

Cased Goods

Our cased goods furniture products are constructed with a solid outer case, typically made of wood which offer durability and aesthetic, providing functional storage solutions while adding a touch of elegance.

Cased Goods

Coffee Tables

Dining Tables

End Tables

Consoles

Kitchen and Cabinetry

We offer a variety of materials, finishes, and styles available for our kitchen and cabinetry products with versatile options to suit different design preferences and lifestyle needs.

Kitchen and Cabinetry

Kitchens

Wardrobes

Laundry / Utility

Bar Units

Shoe Racks

Prayer Units

Bedside Tables

Mattresses and Beds

We design, manufacture and sell a range of bed frames and mattresses. Further, we also sell bedding and bedroom accessories such as pillows, which are designed and manufactured by us.

Mattresses and Beds

Mattresses

Beds

Pillows and Accessories

Automotive and Others

In addition, we also design and manufacture footwear that can be customized as per the requirements of the customers and comes in various sizes including half sizes shoes. We also provide car seat leather upholstery services for leading global automotive brands. While we manufacture all of our products, however, ancillary products such as lightning and switches are generally imported by us and sold under private labels. We also sell carpets which are outsourced from other manufacturers locally and sold under private labels.

Manufacturing Operations

Design and New Product Development

With over 15 years of experience, we believe that we have been able to understand customer requirements, trends, design and style preferences. Based on our experience, we are able to design and style products that have luxurious international appeal that corresponds to Indian sentiment, style and sizing which we believe is well accepted across the country, we design and develop over 98 new products during the previous year. Our product development division is spread over approximately 15,000 square feet at our manufacturing city located at Electronic City, Bengaluru, Karnataka and as of June 30, 2023, we engaged two master Italian and also 84 employees for product design and development. To complement our product development, we have also invested in latest machinery and skill development for our craftsmen. Our design capability allows us to develop exclusive products that can be put into production more swiftly, compared to relying on external designers. Our in-house design capability works together with our manufacturing operations, which enables us to maintain the quality of our products, control the entire production process and engineer cost savings from the initial concept to the end stages of manufacturing the products.

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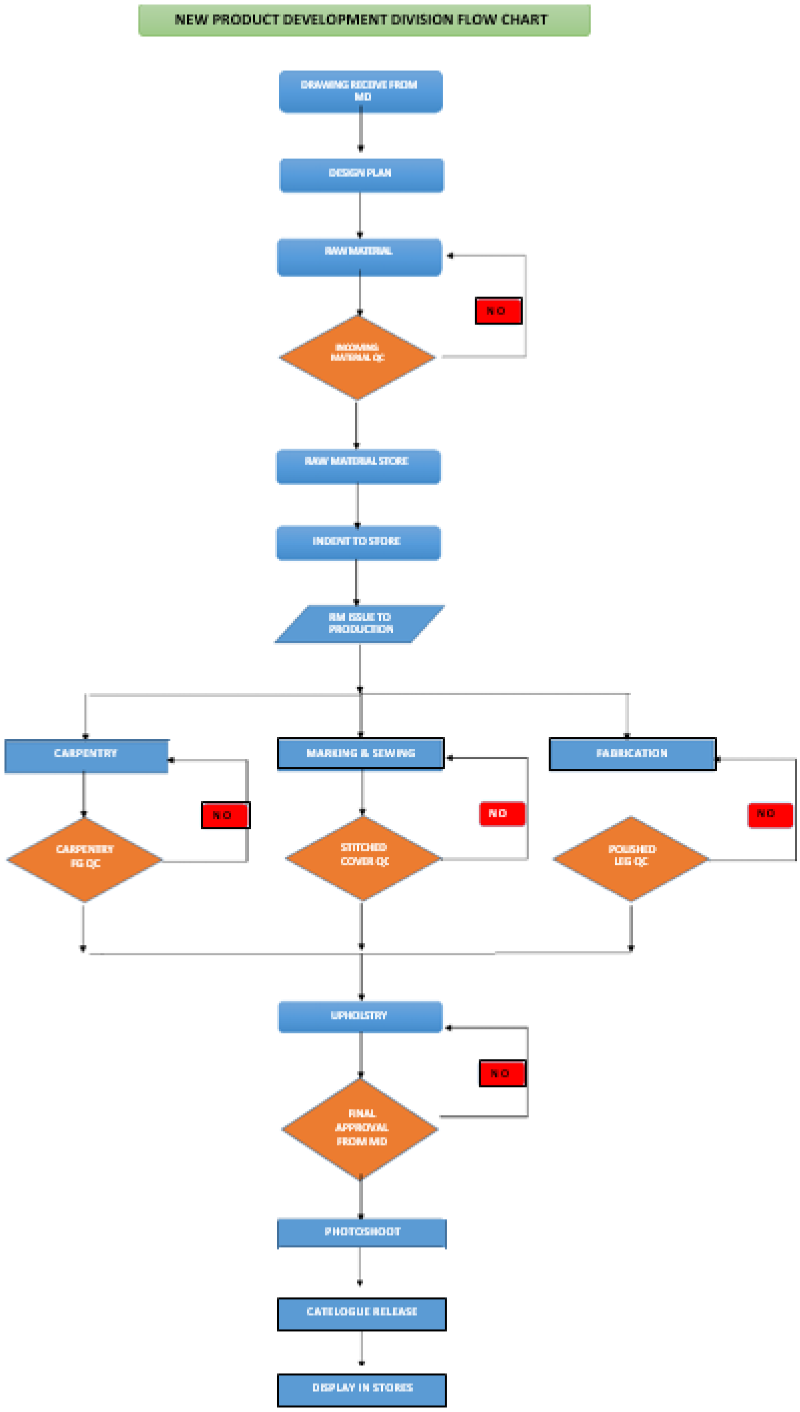
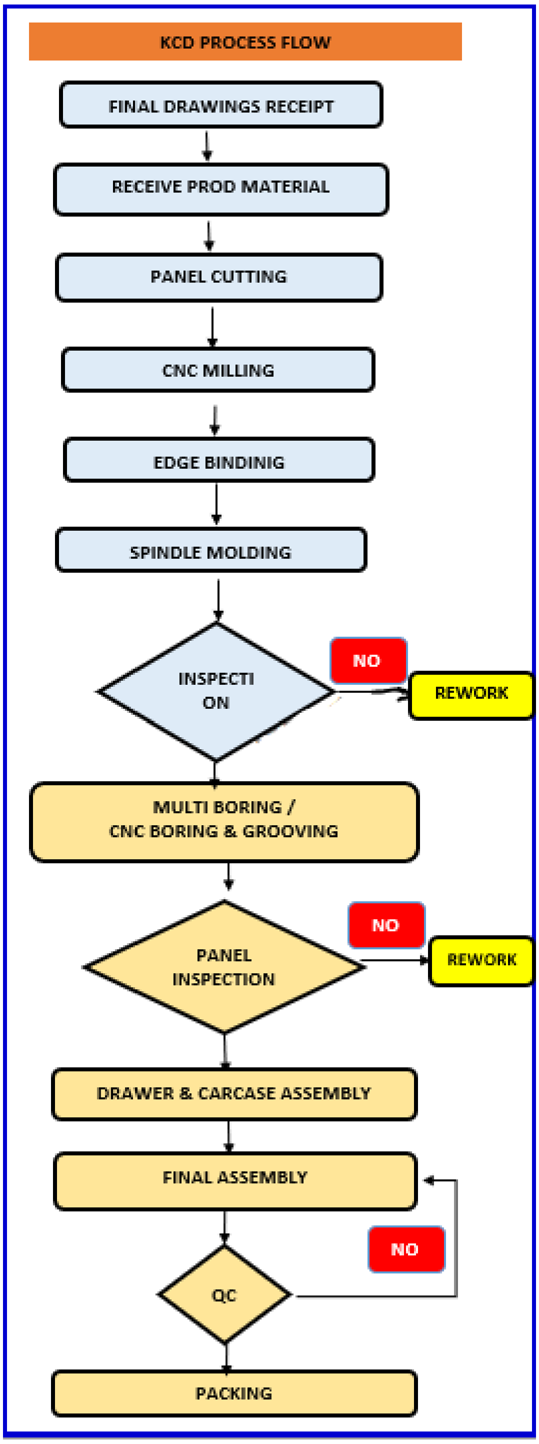


In Fiscal 2021, 2022 and 2023, we approximately introduced 24, 76 and 88 products, respectively, all under the "*Stanley*" brand which includes, modern power motion recliner sofas, home cinema seating and sofa-cum-beds, dining tables, storage beds, kitchens and cabinetry, walk-in wardrobes and laundry units. Further, following the completion of new product development, we introduce the products into our retail showroom for display and gather feedback from customers. This serves as the foundation for initiating the manufacturing operations. By involving our customers in the process, we can expedite the rollout of newly developed products and effectively scale our production based on their feedback.

<u>Processes</u>

In order to ensure that we manufacture and provide quality products to our customers, we employ various processes in our manufacturing operations. The following shows a brief breakdown of the various stages of our manufacturing process:



Description of certain of our processes are as follows:

Metal Work

Metal work involves a combination of processes such as cutting, wielding, grinding, and polishing. Cutting involves separating metal into desired shapes and sizes, whether through mechanical means such as sawing or using advanced methods like laser cutting. Grinding is employed to smooth the surface of metal objects or remove excess material, ensuring precise dimensions and a refined finish. Sanding further refines the surface by using abrasives to create a smooth and polished texture. Lastly, welding plays a critical role in metal fabrication, enabling the joining of separate metal components through the application of heat and pressure, resulting in a strong and structurally sound bond allowing for robust metal structures, and products.

Polishing

To ensure high-quality finish on our products, we use variety of techniques. We apply abrasive compounds and rotating buffs to create a smooth surface. Additionally, physical vapour deposition coating is applied to metals to enhance their durability, resistance to wear, and aesthetic appeal. Further, acrylic polyurethane and lacquer coats are used to protect the wood, and enhance its appearance.

Upholstery

For upholstery, we employ leather cladding that involves covering furniture surfaces with high-quality leather.

Foaming

Foaming involves the application of foam materials for comfort and support. The process typically includes the integration of webbing and netting to ensure proper distribution and containment of the foam within the wooden frame. Webbing is used to create a supportive foundation, providing strength and stability to the seating area. Meanwhile, netting acts as a barrier, preventing the foam from shifting or sagging over time

Carpentry

Our carpentry process involves careful selection and measurement of wood materials as per the specifications of a particular product. Skilled carpenters use various cutting techniques, such as sawing and routing, to shape the wood and create the necessary components for furniture manufacturing. These are then joined together using various techniques to ensure structural integrity.

Leather Selection, Cut and Stew

Our leather work involves a series of processes to ensure the production of high-quality and visually appealing products. The initial step involves carefully checking the leather for any damages. Once approved, leather marking is done to match the pattern of the product, using specialized machines and following precise specifications. Skilled artisans then proceed to cut the leather, paying close attention to detail to ensure accurate sizing and alignment. Finally, the leather pieces are expertly assembled and completed.

Facilities

We operate two manufacturing facilities located at Electronic City, Bengaluru (Karnataka) and Bommasandra Jigani Link Road, Bengaluru (Karnataka) as set out below:

S. No.	Name and Address of the Manufacturing Facility	Area (in Square Feet)	Owned / Leased
1.	Electronic City, Bengaluru (Karnataka)	197,643	Comprises four buildings: Building 1: Leased for a period of 12 years till January 15, 2031. Building 2: Leased for a period of 10 years and six months till February 5, 2031. Building 3: Leased for a period of three years till October 14, 2023. Building 4: Leased for a period of nine years till March 13, 2031.
2.	Bommasandra Jigani Link Road, Bengaluru (Karnataka)	103,243	Leased for a period of 15 years till August 31, 2036.

Of our manufacturing facilities, the facility at Electronic City is a fully integrated facility with new product capability dedicated to producing bespoke products as per the requirements and specifications of our customers under the "*Stanley*" brand while the facility located at Bommasandra Jigani Link Road specializes in repetitive manufacturing which is utilized to manufacture products for our "*Sofas & More by Stanley*" brand and contract manufacturing for various multi-national home furnishing players. Our state-of-the-art manufacturing capabilities and know-how ensure the reliability, craftsmanship, design and customization of our products, providing luxury home furniture with better aesthetics to customers.

Various machines that we utilize as part of our operation, amongst others, include, wood cutting machine, edge banding machine, wood drier equipment, wood surface polishing machine, design stitching machine, mattress stitching machine, cutter machine, grinding and flatbed grinder and mirror polishing machine.

Capacity and Capacity Utilization

Electronic City Facility

The following table shows the relevant information relating to installed capacity and capacity utilisation (on the basis of annual installed capacity and actual production) of products at the Electronic City facility as of/ for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023:

Manufacturing Facility	As of/For the fiscal year ended March 31,								
	2021			2022			2023		
	Installed capacity (in numbers/set of components)*(1)	Actual Production (in numbers/set of components)(2)	Capacity Utilisation (%)*(3)	Installed capacity (in numbers/set of components)*(1)	Actual Production (in numbers/set of components)(2)	Capacity Utilisation (%)*(3)	Installed capacity (in numbers/set of components)*(1)	Actual Production (in numbers/set of components)(2)	Capacity Utilisation (%)*(3)
Electronic City Facility									
Seating and Beds	28,800	18,302	63.55%	28,800	23,660	82.15%	43,200	30,254	70.03%
Kitchen and Cabinetary	600	136	22.67%	600	122	20.33%	600	122	20.33%
Cased Goods (Dining Table / Chair Set)	-	-	-	600	101	16.83%	600	179	29.83%
Mattress and Pillow	10,800	792	7.33%	10,800	981	9.08%	10,800	1,242	11.50%
Automotive (OEM)	108,000	32,038	29.66%	108,000	50679	46.92%	108,000	55,344	51.24%

* *As certified by G. Shankar Rao, Chartered Engineer, by certificate dated September 4, 2023.*

Notes:

(1) *Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. Our installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice in the furniture industry. Since the machine technical data sheet is not available for most of the machines, each machine cycle time is assumed to be practically working to determine the installed capacity which is calculated based on the floor-wise dedicated set up of machines. Based on the orders and production schedule, such set up of machines could be modified in order to meet higher production requirements. Assumptions and estimates taken into account for measuring installed capacities includes (i) time taken to complete pre-production process to actual production which is inclusive of bottlenecks experience during the overall manufacturing process, i.e., upholstery, (ii) supporting manpower would be arranged by as and when required to achieve the required installed capacity; (iii) each machine being fungible with any product, i.e., seating , kitchen cabinet, case goods and other products / division scheduled maintenance activities; (iv) working of all the machines in tandem; and (v) working days per year and 18 machine-working hours (taking into consideration 85% efficiency) per day involving work during all the three working shifts in a day.*

(2) *Actual production represents quantum of production in the manufacturing facility in the relevant Fiscal and recorded in the store registers.*

(3) *Capacity utilization is calculated as quantum of production in the manufacturing facility in the relevant Fiscal, divided by the installed capacity of manufacturing facility as at the end of the relevant Fiscal.*

Bommasandra Jigani Link Road Facility

The following table shows the relevant information relating to installed capacity and capacity utilisation (on the basis of annual installed capacity and actual production) of products at the Bommasandra Jigani Link Road facility as of/ for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023:

Manufacturing Facility	As of/For the fiscal year ended March 31,								
	2021			2022			2023		
	Installed capacity (in numbers/set of components)*(1) (4)	Actual Production (in numbers/set of components) (2)	Capacity Utilisation (%)*(3)	Installed capacity (in numbers/set of components)*(1) (4)	Actual Production (in numbers/set of components) (2)	Capacity Utilisation (%)*(3)	Installed capacity (in numbers/set of components)*(1) (4)	Actual Production (in numbers/set of components) (2)	Capacity Utilisation (%)*(3)
Bommasandra Jigani Link Road Facility									
Seating	144,000	52,410	36.39%	144,000	85,743	59.54%	144,000	89,730	62.31%

* *As certified by G. Shankar Rao, Chartered Engineer, by certificate dated September 4, 2023.*

Notes:

(1) *Installed capacity represents the installed capacity as of the last date of the relevant Fiscal. Our installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice in the furniture industry. Since the machine technical data sheet is not available for most of the machines, each machine cycle time is assumed to be practically working to determine the installed capacity which is calculated based on the floor-wise dedicated set up of machines. Based on the orders and production schedule, such set up of machines could be modified in order to meet higher production requirements. Assumptions and estimates taken into account for measuring installed capacities includes (i) time taken to complete pre-production process to actual production which is inclusive of bottlenecks experience during the overall manufacturing process, i.e., upholstery, (ii) supporting manpower would be arranged by as and when required to achieve the required installed capacity; (iii) working of all the machines in tandem; and (iv) working days per year and 18 machine-working hours (taking into consideration 85% efficiency) per day involving work during all the three working shifts in a day.*

(2) *Actual production represents quantum of production in the manufacturing facility in the relevant Fiscal.*

(3) *Capacity utilization is calculated as quantum of production in the manufacturing facility in the relevant Fiscal, divided by the installed capacity of manufacturing facility as at the end of the relevant Fiscal.*

(4) *Inclusive of capacity dedicated to manufacturing our products as well for contract manufacturing process.*

Utilities

We consume a substantial amount of power and fuel for our business operations. Adequate and cost-effective supply of electrical power and fuel is critical to our manufacturing facilities. We rely on the state electricity boards through a power grid for the supply of electricity and utilize diesel generators to ensure that our facilities are operational during power failures or other emergencies. The table below sets forth details relating to our expenses on power and fuel as a percentage of our total expenses in Fiscal 2021, 2022 and 2023:

Category	Fiscal					
	2021		2022		2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Power and fuel expense	26.62	1.36%	36.15	1.36%	52.02	1.37%

Further, we have recently installed a rooftop solar system with an installed capacity of 495 KvA to source a portion of our power requirements for our manufacturing facility at Electronic City, Bengaluru (Karnataka).

Raw Materials

Our operations are dependent on us having an uninterrupted and sufficient supply of key raw materials such as leather, wood and metal sponge amongst others. Over the years, we have developed long-standing relationships with our vendors which allows us to source quality raw materials, including leather and timber used in our operations.

We largely source our leather from green certified tanneries located in Europe while also locally sourcing leather from suppliers located with India from tanneries located in Kanpur, Uttar Pradesh. We are also one of the largest importer of leather in India for furniture manufacturing purposes in Fiscal 2022. (*Source: RedSeer Report*) Going forward we will continue to focus on increasing our leather requirements locally which we believe will help us to further improve our gross margins.

While importing leather, we ensure that that the tanneries are certified and conform to the environmental standards and pass the animal welfare risk analysis checked in the European Union. The table below provides details of certifications and their standards obtained by one of the tanneries from whom we source our leather:

Certification	Description
ISO 14001:2015	Environmental management system standard
IATF 16949:2016	Quality management system standard
UNI 11427:2015	Criteria defining the performance characteristics of leather with a low environmental impact

The timber used to manufacture our products is sourced from vendors across South East Asia and from certain vendors located in Romania and Poland. To ensure that we use only quality raw materials, we select vendors whose products have FSC Standard for Chain of Custody certification. In addition, we also source certain of our raw materials such as leather and wood from local suppliers within India in order to further expand our pool of vendors and restrict dependence on imported raw materials.

Our purchase arrangements with our raw material suppliers are predominantly by way of purchase orders based on our on-going requirements. We have established close relationships with different suppliers to ensure a steady supply of key raw materials, while maintaining multiple sources of supply for each major raw material item in order to obtain competitive prices. In view of the large number of suppliers in the market for our key raw materials, we do not anticipate any difficulties in locating alternate suppliers if necessary. We have not experienced any significant difficulties in sourcing raw materials nor have we ever experienced any interruption in our supply of raw materials.

The table below provides our cost of materials as a percentage of our total expenses in relevant periods:

Particular	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)	Amount (₹ million)	Percentage of Total Expenses (%)
Cost of Materials Consumed	902.00	46.14%	1,456.10	54.78%	2,042.55	53.86%

We source our raw materials through our procurement team which selects suppliers who are able to meet frequent and rapid changes in demand for materials and who can comply with our quality requirements. Our procurement team maintains a comprehensive database of all our sourcing information to monitor, control and verify purchase prices, terms of purchase contracts and the service quality of suppliers, in order to help us optimise our raw material sourcing and minimise costs. While selecting our suppliers, our procurement team works with our design and new product development team, in order to ensure early supplier involvement in new material development.

Going forward, we will continue to increase our share of raw materials sourced locally in order to maintain control over the quality of materials while reducing cost of materials consumed, reduce foreign currency fluctuation on the cost of imported raw materials, transportation costs, inventory holding pattern and timely delivery of raw materials to minimize any external impact.

Transportation and Logistics

Deliveries

Transportation and logistics are treated as an integral part of our customer service philosophy as we believe that an important driver of satisfaction for many customers is certainty and ease of delivery of the product. Typically for our COCO orders, the products are sourced either directly from the manufacturing facility or from the retail showroom if they are available as floor stock. As for franchisee orders, they are delivered to the respective franchisee, and the final leg of the delivery process is handled by the franchisee themselves. Last mile delivery of products which are ordered in any of our COCO Stores are completed by us.

Typically, each finished product is allocated a unique stock number together with customer details and the agreed date of delivery. All of our finished products have a robust examination process to identify faults prior to delivery.

Installation

The installation of our products, once delivered to our customers, is handled by either our own team or the relevant service providers, depending on the source of the products. If the products were sourced from our COCO Stores, our installation team ensures a seamless and professional installation process. On the other hand, if the products were sourced from FOFO stores, we collaborate with the respective franchisees' to ensure consistent quality and service standards.

Quality Control

We intend to place a high emphasis on the quality of our products and believe that our quality control mechanism has been instrumental in contributing to our success. As of June 30, 2023, we had a quality control team of 25 employees which regularly supervises and ensures that our quality control procedures are strictly adhered at each stage.

As part of our quality control process, our vendors are screened in order to ensure that they have the relevant experience, certification and reputation in providing quality raw materials. We constantly monitor the quality and performance of our vendors and we review our list of approved vendors regularly. We usually obtain samples from our vendors before proceeding to order full consignments for our production requirements. The samples we receive from our vendors must meet our quality standards before we proceed to place any order with that vendor.

Further, we conduct in-house testing on incoming raw materials in our laboratory located in our manufacturing facility at Electronic City, Bengaluru, Karnataka to ensure that these materials meet the agreed specifications and our quality control standards. If defects are found, we may reject the products and request that our vendors to replace the raw material materials.

Once the production is in production stage, in-process quality assurance measures are implemented throughout the production process to ensure that defective semi-furnished products will not proceed to the next stage of the production process. For example, once sewing is completed, the product has to pass a typical checklist which contains parameters such as thread shade/colour, thread thickness, sewing from appropriate needle size, identification of any uneven stitches, piping (as per leather cutting instructions) and zip attaching. In addition, for our sofas, we do pre-quality check which contains parameters such as proper measurements, polly filling, logo placement, pointed stitching, alignments, even edges and movement jerk check. Any items which do not pass the quality checks will either be discarded or reprocessed depending on the type and severity of the defect.

Further, the instruments at our laboratory are used for to check the quality of the colour shade of leather, thickness of leather, colour fastness of leather, damage or durability of leather, tensile strength of the leather and foam, foam durability and resilience and density test across our raw materials.

We conduct a final inspection on all our products to assess product safety, structural integrity and conformity with design and colour specifications to ensure that the products meet the requirements of our customers. We also conduct a final visual, dimensional and functional inspection on our products for any defects before packing and delivering them to our COCO and FOFO stores. Our typical final quality check involves even panel check, general comfort of all seats, any damages on the legs, wood polish finish, warranty card and logo.

Warranty

In order to instil confidence and trust in our customers and demonstrate commitment to customer satisfaction and reassure our customers that we stand behind the reliability and durability of our products, we provide standard warranty. If a complaint is made within the warranty period or if our customer finds clear defects (cuts, scratches or rips) when the product is delivered, we repair or substitute the defect on products.

The table below provides typical warranty that we provide for various components of our sofa products:

Particulars	Warranty Details
Upholstery	We certify that our leather sofas are covered in 100 percent genuine leather. Further, leather upholstered furniture is guaranteed from cracks and / or peeling off for one year from the date of purchase under conditions of normal household use.
Foam, Webbing, Spring and Filling	Foam, Webbing, Spring and Filling are guaranteed for two years from the date of purchase.
Frame	The wooden frame only are guaranteed for a period ranging from two years to 10 years from the date of purchase
Metal Mechanisms and Electrical parts	Metal mechanisms are guaranteed for three years from the date of purchase and all electrical part are guaranteed for one year from the date of purchase.

Customer Service and Engagement

To actively engage with our customers and gather their feedback, we have implemented a comprehensive system. Our office in Bengaluru, Karnataka features a dedicated toll-free number that customers can call to raise any concerns or issues they may have. These issues are promptly forwarded to the relevant store, enabling us to address the problems effectively and provide timely solutions.

In addition, we also prioritize gathering feedback on various aspects of our products and services. We have implemented a customer feedback system that allows customers to share their thoughts on factors such as product quality, the overall shopping experience, delivery punctuality, installation process, clarity of feature and maintenance explanations, and whether they would recommend our products to their family and friends. This feedback serves as a valuable tool for us to understand customer preferences, identify areas for improvement, and continuously enhance our offerings.

By actively engaging with our customers, we foster a customer-centric approach. This two-way communication ensures that our customers feel heard and valued, while also allowing us to refine our offerings to better meet their needs and expectations.

Healthy, Safety and Environment

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environment, energy, occupational health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working under our management. We have implemented work safety measures to ensure a safe working environment. Such measures include general guidelines for health and safety at our offices, manufacturing facilities and warehouses, accident reporting, wearing safety equipment and maintaining clean and orderly work locations.

Further, in our commitment to become more environmentally friendly, we have recently installed a rooftop solar system to source a portion of our power requirements for our manufacturing facility at Electronic City, Bengaluru, Karnataka. This will enable us to reduce our carbon footprint and reduce our reliance on traditional energy sources and exemplifies our dedication to sustainable practices by reducing our environmental impact.

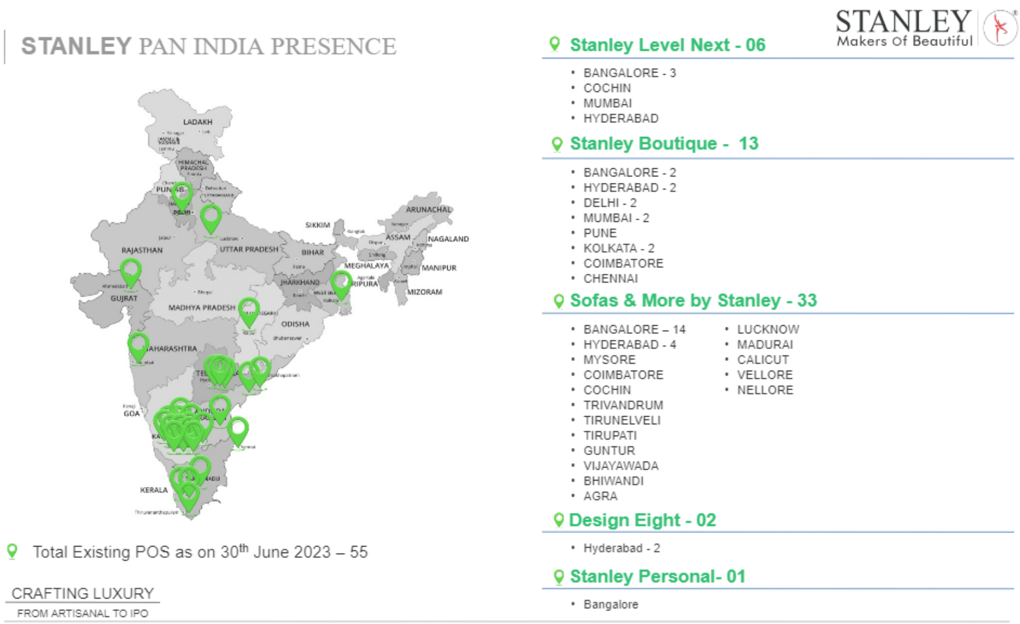
Retail Operations

According to the RedSeer Report, customers often wish to touch, try out, or sit on a piece of furniture before they make the investment.

We have an extensive pan-India retail presence through our store network. Our network of stores allows us to cater to various target markets, which ensures enhanced brand visibility of our products. According to the RedSeer Report, as of June 30, 2023, our retail presence in India was three times the size of our nearest competitor in the luxury/super-premium furniture industry. (*Source: RedSeer Report*)

We primarily market and sell our products through our network of stores. Over the years, we have significantly expanded our network of stores and as of June 30, 2023, we operated 34 "company owned and company operated" or "**COCO**" stores all located in the major metro-cities of Bengaluru, Chennai, New Delhi, Mumbai and Hyderabad and 21 "franchisee-owned and franchisee-operated" or "**FOFO**" stores in 22 cities across nine States and Union Territories in India.

Presence Across India



Note:
Details as of June 30, 2023. Map not to scale

Company Owned and Company Operated Stores

We endeavour to provide a seamless customer experience at our stores across brands. We have entered into lease agreements for occupying our COCO stores. We are required to make an upfront security deposit and a specified monthly rental for the duration of the lease, subject to periodic rent escalations at agreed rates. All of our COCO Stores are operated by our various Subsidiaries. Certain minority stake in two of our Subsidiaries, Shrasta Décor Private Limited and ABS Seating Private Limited are held by third parties ("**Partners**"). We generally rely on such Partners to identify locations where we do not have much presence or brand name or attempt to tap their network, if any, to access potential high net worth individuals, who are our main target segment. For further information, see "*Risk Factors - We rely on our partners who are minority shareholders in certain of our Subsidiaries.*" on page 34.

Franchisee Owned and Franchisee Operated Stores

From time to time we enter into agreements with our franchisee partners to operate FOFO stores for our "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas and More by Stanley*" format stores. Our franchisee agreements range from two years to four years and are renewable subject to mutual agreement. We aim to onboard franchisee partners who have prior experience in selling furniture products, possess the necessary capabilities and are well-positioned to contribute to the overall success and growth of our business.

Identification Process for Franchisees

The identification of franchisee partners is a critical process that involves careful consideration of several key parameters. Firstly, we aim to onboard franchisee partners who have prior experience in selling furniture products as their understanding of the industry and familiarity with customer preferences can contribute to the success of the "Stanley" brand. Second, we look for franchisees who possess the financial resources necessary to invest in the business, by stipulating minimum store sizes which they must possess as a franchisee store location We believe that the consistency in delivering the brand experience is crucial to maintain the "Stanley" brand value and to further grow our business. Additionally, we seek to identify and select franchisee partners who are based locally and who we believe would be able to demonstrate an understanding of the local market. Lastly, we seek franchisees who can provide the same level of experience and service in every aspect of operations as our COCO Stores. By carefully evaluating these parameters, we aim to identify franchisee partners who align with our values, possess the necessary capabilities, and are well-positioned to contribute to the overall success and growth of our business.

Brief summary of our typical franchisee agreement

Operations

Typically, under our franchisee agreements, the franchisees are responsible for *inter alia,* securing all statutory and regulatory approvals, insurance, achieving the annual sales targets as mentioned in the relevant agreement and for establishing and maintaining, at their own expense, a bookkeeping, accounting and record keeping system. Under our franchise agreements, the franchisees have the right to use the brand "*Stanley*" during the term of the respective agreements.

Exclusivity for a particular area

Further, under our franchisee agreements, the franchise is granted exclusively for a particular territory / state. Franchisees are typically required to open a specified number of stores in a time frame, and failure to do so results in forfeiture of the fees which are typically paid by such franchisees at the time of signing the agreement. Further, according to the terms of the franchisee agreements, we may expand and open further showrooms in a territory / state of that particular franchisee, provided that the franchisee will have a right of first refusal for the setting up of such stores.

Set-up related assistance

To help our franchisees in the initial set-up, we coordinate and assist the franchisees and provide an extensive training program to the staff which are recruited by the franchisee at their own cost. Further, the franchisee shall, in the first year of operations, ensure the minimum number of sales leading to minimum purchase value as defined in the agreement. In the event, a franchisee achieves more than the annual target set forth, we would reimburse actual marketing expense of two percent based on the total value of the franchisee's annual purchase of the products in the form of credit notes. However, in the event the franchisee fails to achieve the yearly sales target, it shall endeavour to make up the deficit in the next calendar year and it shall not be entitled to carry any surplus of a particular calendar year to the succeeding calendar year. In the event the annual sales target (as defined in the relevant agreement) is not achieved by the franchisee, we can exercise an option of terminating the arrangement by giving three months written notice.

In relation to orders, the franchisee order the products to be provided by us by issuing a purchase order in our favour. The franchisee typically pay 50% of the total invoice value at the time of issuance of the purchase order and the remaining 50% before the dispatch of the products.

Non-Compete

Further, our franchisee agreements, typically include a non-compete clause, whereby, amongst others, franchisees during the subsistence of the term cannot directly or indirectly engage in any new business which is similar to our business, solicit or accept the business similar to the franchisee pursuant to the franchisee agreement for itself or solicit any of our employees.

Store Format

Our stores are strategically located across India to cover major markets, giving us a competitive advantage that, we believe, our competitors lack. We aim to ensure that our stores are located in areas which will ensure effective penetration and cater to a large customer base. Our limited store closures in the last three Fiscals are indicative of our ability to identify the right location for our stores and deliver strong operating profits. All of our staff in our showrooms undergo training to ensure that they are able to maintain the "Stanley" brand and customer service standards.

The table below sets forth details our revenue from operations across regions in India for the periods indicated:

Region	**Fiscals**					
	2021		**2022**		**2023**	
	Revenue from Operations (₹ million)	**Percentage from Revenue of Operations (%)**	**Revenue from Operations (₹ million)**	**Percentage from Revenue of Operations (%)**	**Revenue from Operations (₹ million)**	**Percentage from Revenue of Operations (%)**
South(1)	1,585.51	80.98%	2,419.33	82.80%	3,444.96	82.22%
West(2)	207.05	10.58%	281.45	9.63%	396.84	9.47%
East(3)	20.04	1.02%	36.23	1.24%	61.86	1.48%
North(4)	145.20	7.42%	185.03	6.33%	286.32	6.83%
Total	**1,957.80**	**100.00%**	**2,922.04**	**100.00%**	**4,189.98**	**100.00%**

Notes:

(1) *South region comprises Karnataka, Telangana, Andhra Pradesh, Tamil Nadu & Kerala.*

(2) *West region comprises Maharashtra, Gujarat, Goa.*

(3) *North region comprises Delhi, Haryana, Uttar Pradesh, Rajasthan & Madhya Pradesh.*

(4) *East region comprises West Bengal & Chhattisgarh.*

We retail our products in the furniture market primarily through our three format stores, each catering to a different segment of the market (i.e., ultra-luxury, luxury and super premium):

- **Stanley Level Next** targets customers in the ultra-luxury home solution price points.
- **Stanley Boutique** targets customers in the luxury category price points.
- **Sofas & More by Stanley** targets customers in the super premium price points.

The table below provides details of the industry price points and our presence:

Industry Price Point*	Presence	Category	Products
Ultra-Luxury (₹ 0.50 million and above)	Stanley Level Next	Kitchen and Cabinetry, Sofas, Beds and Mattresses and Cased Goods	Kitchen, Wardrobe, Sofa, Recliner, Dining Set, Centre Table, Side Table, Console, Bed and Mattress
Luxury (₹0.30 million - ₹0.50 million)	Stanley Boutique	Kitchen and Cabinetry, Sofas, Beds and Mattresses and Cased Goods	Kitchen, Wardrobe, Sofa, Dining Set, Centre Table, Side Table, Console, Bed and Mattress
Super Premium (₹0.15 million - ₹0.30 million)	Sofas & More by Stanley	Sofas, Beds and Mattresses and Cased Goods	Sofa, Recliner, Dining Set, Centre Table, Side Table, Console, Bed and Mattress

**Industry price point and brand presence is segmented basis price of Sofa (3+2) and number of SKUs in each price range. (Source: RedSeer Report)*While our core focus remains on products in the ultra-luxury, luxury and super premium segments, we also offer various product SKUs in other price points as well to ensure complete home solution experience.

In addition, as of June 30, 2023, we also operate certain other store formats which targets different categories of customers and products such as:

- **Design Eight** primarily imports luxury, premium and mid-high furniture branded products which is then sold to the customers.
- **Stanley Personal** targets younger demographic and provides customized hand-crafted shoes, bags and other lifestyle products.

In addition, in certain cities in India, we have also experimented with a hybrid concept, where we may have different store formats under one large store in order to efficiently utilize the real estate and provide an opportunity to our customers to experience the products under one roof. In such stores, different store formats are located at different floors maintaining their own independent store characteristics, such as look, products offered and customization options available.

Store Selection

We continuously try to expand our showroom network to capitalise on the growing requirement of luxury furniture by our target customers. Before we enter into a new city or a region, we generally aim to conduct informal market study to evaluate whether the relevant market is suitable and there is a demand for products such as ours thereby impacting our decision to open a showroom in that particular region or city. We evaluate potential showroom locations based on customer demographics and proximity to our competitors. Accordingly, our internal team helps to identify viable locations for our showrooms to ensure that they maintain a standardized look and feel.

Warehousing and Inventory Management

Our inventory primarily consists of our furniture and other accessories. As of June 30, 2023, we have leased three warehouse for storage of our inventory in Bengaluru, Karnataka, Hyderabad, Telangana and Faridabad, Haryana. We also store inventory at both of our manufacturing facilities.

Our inventory at our manufacturing facilities comprises primarily raw materials and finished products such as kitchen and cabinet products. In order to ensure that we have adequate inventory of raw materials to quickly turn around products for our customers, we track our inventory on a continuous basis and thereafter purchase and store the main raw materials such as leather, woods and other accessories at our manufacturing facilities. In addition, we also conduct physical review of our raw materials on a regular basis to ensure that we have a ready record of our raw materials. Our procurement team regularly reviews and assesses the sources of supply and prices of raw materials. This allows us to monitor our costs of production and ensure that the quality of our raw materials meets our requirements as well as applicable standards set by the relevant governmental and regulatory bodies.

Marketing and Promotion

We believe our success is attributable to the brand "*Stanley*". We also believe that the brand "*Stanley*" is synonymous with exclusivity, premium quality and customization and we have continuously invested to increase brand awareness, enhancing the appeal of our products by highlighting the luxurious and bespoke nature of our products, that are tailored to meet the unique requirements of our customers. We have been able to leverage our Promoter's experience to position the "*Stanley*" brand synonymous with exclusivity, premium quality and high degree of personalization. We believe that each customer should have the opportunity to personalize their furniture according to their preferences, aligning with our core philosophy of offering "*bespoke high quality products*".

The table below sets forth our outward advertisement and business promotion expenses in for the periods indicated:

Particulars	**Fiscal**					
	2021		**2022**		**2023**	
	Amount (₹ million)	**Percentage of Total Expenses (%)**	**Amount (₹ million)**	**Percentage of Total Expenses (%)**	**Amount (₹ million)**	**Percentage of Total Expenses (%)**
Advertisement and Business Promotion Expenses	86.40	4.42%	85.47	3.22%	196.46	5.18%

As of June 30, 2023, our sales and marketing team consists of 135 employees, which is responsible for creating strategic and impactful initiatives that effectively promote our products or services to the target audience. Further, we have continuously invested in increasing brand awareness to enhance the appeal for our products by highlighting their luxurious and bespoke nature. To improve top-of-mind recall, we have engaged in targeted marketing campaigns such as "*Beautiful Living*" and "*Luxury Unlimited*" to ensure that the "Stanley" brand remains visible and memorable. We promote our products across various media including through full page or half-page advertisements in prominent newspapers and in leading premium lifestyle magazines, home decor magazines, airline inflight magazines, and fashion magazines. We also advertise on large billboards strategically placed across cities. By staying top-of-mind, we aim to further strengthen loyalty towards the '*Stanley*' brand. In addition we also take part in trade exhibitions and have in the past participated in such trade exhibitions in Italy.

Technology

We possess a robust full-stack technology architecture which integrates our front and back-end operations, handling purchases from design to delivery. Investment in IT infrastructure is essential to improve our operational efficiencies, improve scale and enhance productivity. We continue to focus on building and improving our IT capabilities. Our information technology systems are managed in-house by a team of IT professionals who are supported by third parties. Our core software system receives order information from the retail system and enables production plan development, raw material stock management, piecework calculation and finished stock control and despatch control.

For further information, see "*Risk Factors - Our operations are reliant on our technology infrastructure and platform, and any failure to continue to improve and effectively utilize our technology infrastructure and platform or fully monetize and realize the benefits from new technologies could harm our business operations, reputation, financial condition and prospects.*" on page 47.

Competition

The luxury and super premium furniture market in India is highly competitive and segmented, with both unbranded and branded players competing for market share. Other than local players like us, there are many European brands present in our industry who design and manufacture and then import their products into India. (*Source: RedSeer Report*)We believe that the purchasing decisions of consumers are highly subjective and can be influenced by many factors, such as pricing, brand image, customer service, retail experiences, social media presence, marketing programs and product offerings and features. Our competitors may enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage of such combinations or alliances.

For further information, see "*Risk Factors - Competition in the luxury furniture market, in particular, sofas may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows, and financial condition.*" and "*Industry Overview*" on pages 46 and 126, respectively

Insurance

Our insurance covers, amongst others, marine cargo turnover policy, commercial general liability insurance, asset insurance policy, directors' and officers' insurance policy, portable electronic equipment insurance policy, commercial package insurance policy, business package insurance policy, contractors all risk policy, group personal accident policy and burglary insurance policy.

Our insurance cover on the total assets (excluding intangible assets, goodwill, right of use assets and deferred tax assets) as of March 31, 2023 was ₹ 3,153.04 million, representing 181.40% of the total assets (excluding intangible assets, goodwill, right of use assets and deferred tax assets) as of March 31 2023

These insurance policies are generally valid for a year and are renewed annually. In our experience, the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India.

For further information, see "*Risk Factors - Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage,* *our financial condition and results of operations may be adversely affected.*".

Employee Training and Human Resources

Training

Our employees possess expertise across various processes that we deploy as part of our operations which include leather storage and cutting, carpentry, sewing and stitching, metal work and polishing. As of June 30, 2023, the total number of craftsman associated with our new product development division were 61 (including permanent employees and craftsmen on contractual basis).

We provide regular training to our staff to ensure that they possess the requisite skills and expertise for the operations of our business. Our training programmes focus mainly on specific areas such as quality control and manufacturing operations. The training sessions are performed on a regular basis and are usually conducted in-house. In addition, we also provide training for the sales staff on the sales and marketing of our products to ensure that they have the requisite product knowledge to sell our products.

Human Resources

As of June 30, 2023, we had 765 employees, as set forth below, by function:

Department	Number of Employees
Director and Administration	103
Accounts and Finance	48
Human Resource and Information Technology	14
Sales and Marketing	135
Design	23
New Production Development	23
Purchase and Store Department for the Manufacturing Facilities	29
Manufacturing	272
Distribution and Logistics	90
Installation, Customer relationship and Visual Merchandising	28
Total	**765**

As of June 30, 2023, we had 688 contract labourers who are involved in various aspects of our business including retail operations and manufacturing operations such as housekeeping, logistics and production. The table below provides details of contract labourers in our retail and manufacturing operations:

Vertical	Number of Contract Labourers
Manufacturing Operations	623
Retail Operations	65
Total	**688**

In addition to compensation that includes salary, allowances (including performance linked bonuses) and growth and reward plans, we provide our employees other benefits which include employee stock option plan, accident insurance coverage, medical reimbursement, yearly leave and retirement benefits.

Intellectual Property

The trademarks and copyrights for our primary brands such as and are registered in the name of one of our Promoters, Sunil Suresh in India, whereas the trademarks application for is pending for registration. The trademarks and copyrights associated with such primary brands and other brands which are necessary for our business and operations along with the entire worldwide rights, title and interest in therein, together with any and all intellectual property rights were perpetually and irrevocably assigned, sold, and transferred to our Company ("**Transferred IP**") pursuant to the Assignment Deeds for an aggregate consideration of ₹375 million, which will be paid in a staggered manner. The Transferred IP is necessary for our business and operations as on the date of this Draft Red Herring Prospectus. The Transferred IP consists of a total of (i) 138 trademarks of which, 29 trademarks including , "Stanley Vegan Leather" are currently objected and opposed to; and (ii) 31 copyrights, including for the primary brands, , and . Further, in terms of the trademark and copyright assignment deed dated March 1, 2023, one of our Promoters, Sunil Suresh, irrevocably assigned his rights, including all proprietary rights, interest and title associated with 24 trademarks including, inter alia, "Angelo Italia", "Harry Cooper", "Karl Hans", in India and globally, for a perpetual term in favour of our Company. Under the Assignment Deeds, one of our Promoters, Sunil Suresh is permitted to use or file an application and seek registration for any trademark, logo or work of art containing the word "Stanley" either as his trademark or as a part of his other businesses which are not related to our business and operations. Further if either our Company or our Promoter is desirous of undertaking a business using the trademark, tradename, service mark, logo or artworks containing "Stanley" or filing applications and seeking registration for any trademark, tradename, service mark, logo or artworks containing "Stanley" in respect of a business which is currently not being undertaken by our Promoter or our Company, our Company or our Promoter (as the case may be) is required to provide a notice in writing of such an intention to the other, who shall within 30 days from the receipt of such notice, provide a confirmation in writing, whether or not it has already commenced use or launched or ventured into such business. We cannot assure you that we will be able to successfully commence any new business ventures using the tradename "Stanley".

For further information, see "*Risk Factors - We do not own the brand name "Stanley" which is registered in the name of one of our Promoters, Sunil Suresh. While we have entered into the Assignment Deeds with Sunil Suresh, however, the trademarks are yet to be registered in our name. In the event that the intellectual property rights to be assigned to us pursuant to the Assignment Deeds are not registered in our name in a timely manner our business and financial condition could be adversely affected.*" and "*History and Certain Corporate Matters – Other material agreements*" on pages 26 and 213, respectively.

Corporate Social Responsibility

We have constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR policy on December 30, 2020, pursuant to which we carry out our CSR activities. Our recent CSR initiatives include contributions to skill training programme through the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) and renovation of government middle school building in Sarjapur Kuthagana-Halli, Bengaluru, Karnataka.

In Fiscals 2021, 2022 and 2023, our spends on corporate social responsibility was ₹ 1.78 million, ₹ 0.71 million and ₹ 0.55 million, respectively.

For further information, see "*Our Management – Corporate Social Responsibility Committee*" on page 225.

Properties

Our Registered and Corporate Office is held by us on a lease basis for a period of 12 years from a third party which is valid until 2031. Further, we have also leased three warehouses located at Electronic City, Bengaluru, Karnataka, Hyderabad, Telangana and Faridabad, Haryana as set out below.

S. No.	Name and Address of the Warehouses Facility	Area (in Square Feet)	Owned / Leased
1.	Electronic City, Bengaluru, Karnataka	45,000	Leased for a period of 11 months and valid up to January 31, 2024, renewal option with mutual consent.
2.	Thimmapur, Hyderabad, Telangana	22,600	Leased for a period of nine years till January 31, 2031.
3.	Faridabad, Haryana	2,500	Leased for a period of three years. Currently, the lease agreement has expired, and we are in process of renewing the lease.

In addition, all of our COCO and FOFO stores are on leased premises, and hence, we are exposed to the market conditions of the retail rental market.

Most of our lease agreements for our stores contain an early termination clause that permits us to terminate the lease agreement early for the reasons specified therein. While we have renewal options for all of our leases for our stores, we typically need to renegotiate the terms of renewal with the lessor, who may insist on a significant modification to the terms and conditions of the lease agreement.

As part of our store onboarding process, we may enter into letters of intent with the relevant owners of the properties where a new store will be located. The letters of intent are typically followed by a definitive lease agreement in the form of a lease deed or leave and license agreement being entered into between parties.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company and our Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice. The indicative summaries are based on the current provisions of applicable law in India, which are subject to change, modification, or amendment by subsequent legislative, regulatory, administrative, or judicial decisions.

Consumer Protection Act, 2019 ("Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter alia*, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of the consumers against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by the Consumer Protection Act is the inclusion of the e-commerce industry under the ambit of the Consumer Protection Act, with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. The Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ₹ 1,000,000. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between ₹ 100,000 to Rupees ₹ 1,000,000 depending upon the nature of injury to the consumer.

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The LM Act requires all units of weights and measures used by an entity to be in accordance with the metric system based on the international system of units only. The LM Act and rules framed thereunder regulate, *inter alia*, the labelling and packaging of commodities, appointment of government-approved test centres for verification of weights and measures used by an entity, and lists penalties for offences and compounding of offences under it. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodity Rules define "pre-packaged commodity" as a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The Packaged Commodity Rules prescribes the regulations for imports, pre-packing, and the sale of commodities in a packaged form intended for retail sale, wholesale and for export and import, certain rules to be adhered to by importers, wholesale and retail dealers, the declarations to be made on every package, the size of label and/or importers and the manner in which the declarations shall be made, etc. These declarations that are required to be made include, *inter alia*, the name and address of the manufacturer, the dimensions of the commodity, the maximum retail price, generic name of the product, the country of origin and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers especially relating to e-commerce entities. Pursuant to the amendments, the inventory e-commerce entity itself will be made liable and punishable for failure to make relevant declarations on its platform as required under the LM Act and the Packaged Commodity Rules.

The Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act establishes the Bureau of Indian Standards ("**BIS**") as the National Standards Body of India, with an aim to bring more services, products, and processes under the mandatory standardized regime. The BIS Act seeks to bring about a compulsory certification for all products covered under its ambit. The BIS Act further strengthens penal provisions for better and effective compliance, while laying down provisions for compounding of offences for repeated or multiple violations. The BIS Act provides for the establishment of bureau for the harmonious development of the activities of standardisation, marking and quality assurance of goods, articles, processes, system, services and for matters connected therewith or incidental thereto. The functions of the BIS, under the BIS Act includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) enter and search places, premises or vehicles, and inspect and seize goods, articles and documents to enforce the provisions of the BIS Act; (c) undertake testing of samples for purposes other than for conformity assessment; and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government, in consultation with the BIS, to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides for penalties for violations of the provisions of the BIS Act.

The Sale of Goods Act, 1930 ("Sale of Goods Act")

The Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts, i.e., the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provisions of the Sale of Goods Act.

The Information Technology Act, 2000 ("IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability. Including fines and imprisonment, for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. The State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety, and welfare of all workers. It provides such safeguards of workers in the factories as well as offers protection to the exploited workers and improve their working conditions.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments legislations, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions. Further, we are also required to obtain trade licenses under the provisions of applicable state regulations.

LAWS RELATING TO ENVIRONMENT

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, pollution control boards, which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The authorities are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries, and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure, and investigation. All industries are required to obtain consent orders from the authorities, which are required to be periodically renewed.

The Environment (Protection) Act, 1986 ("Environment Act")

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to co-ordinate activities of various state and central authorities established under previous environmental laws. The potential scope of the Environment Act is broad, with 'environment' defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. The Environment Act empowers the Central Government to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any such person, officer, or authority for any of the purposes of the Environment Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process, and stoppage or regulation of the supply of electricity or water or any other services. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. The Environment Act empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Penalties for violation of the Environment Act include fines up to ₹ 100,000 or imprisonment of up to five years, or both.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control, and abatement of air pollution. Further, under the provisions of the Air Act, the industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the central pollution control board. Under the Air Act, the state pollution control boards are empowered to declare air pollution control areas and consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous and Other Wastes Rules")

The Hazardous and Other Wastes Rules require that every occupier of a facility who is engaged in handling of 'hazardous waste' and other wastes to obtain an authorization from the respective pollution control board. The Hazardous and Other Wastes Rules place an obligation on the occupier to prevent, minimize, reuse, recycle, recover, utilize including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes, including damage caused to environment or third parties. Any violation of the Hazardous and Other Wastes Rules may result in financial penalties.

Public Liability Insurance Act, 1991 ("Public Liability Act") and the rules made thereunder

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Central Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring against liability under the Public Liability Act. The rules made under the Public Liability Act mandate the employer to contribute towards the environment relief fund, a sum not exceeding the sum equivalent to the amount of premium on the insurance policies, which is payable to the insurer.

Plastic Waste Management Rules, 2016 ("Plastic Waste Management Rules")

Under the Plastic Waste Management Rules, all institutional generators of plastic waste, are required to, *inter alia*, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Under the Plastic Waste Management Rules, waste generator shall also take steps to minimize generation of plastic waste. The Plastic Waste Management Rules also requires the producers, importers, and brand owners to collect back the plastic waste generated due to their products. On August 12, 2021, the Government of India notified the Plastic Waste Management (Amendment) Rules, 2021, prohibiting the use identified single use plastic items which have low utility and high littering potential. Under the Plastic Waste Management Rules, the State Governments have also been requested to develop a comprehensive action plan for elimination of single use plastics and effective implementation of Plastic Waste Management Rules, in a time bound manner.

Laws related to intellectual property

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to register trademarks applied for in India and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark. Application for the registration of trademarks has to be made to trade marks registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use of intention to use a trademark in the future. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound, among others. The Trade Marks Act also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public. The Trade Marks Act provides for civil remedies in the event of infringement of registered trade marks or for passing off, including injunction, damages, account of profits or delivery-up of infringing labels and marks for destruction or erasure. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries was made available to owners of Indian and foreign trademarks.

LAWS RELATING TO FOREIGN INVESTMENT

Foreign investment in India is governed by the provisions of the FEMA, the FEMA NDI Rules 2019 ("**FEMA NDI Rules**") along with the Consolidated FDI Policy issued by the DPIIT (defined hereinafter), from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. In terms of the FEMA NDI Rules and the Consolidated FDI Policy, up to 100% foreign investment is currently permitted in a company engaged in manufacturing activities in India (including contract manufacturing in India).

In terms of the SEBI FPI Regulations, the investment in equity shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-offer equity share capital. Further, in terms of the NDI Rules, the total holding by each FPI, or an investor group shall be below 10% of the total paid-up equity share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

LAWS RELATING TO TAXATION

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- Income Tax Act, 1961, and Income Tax Rules, 1962, as amended in respective years;
- Customs Act, 1962;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State-wise legislations in relation to professional tax.

LAWS RELATING TO EMPLOYMENT

In addition to the aforementioned material legislations which are applicable to our Company, some of the labour legislations that may be applicable to the operations of our Company include:

- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Right of Persons with Disabilities Act, 2016;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Contract Labour (Regulation and Abolition) Act, 1970;

- Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
- Labour welfare fund legislations;
- Trade Unions Act, 1926; and,
- Industrial Disputes Act, 1947.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

a) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

b) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019, and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government *vide* notification dated December 18, 2020, notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. The remaining provisions of this code will be brought into force on a date to be notified by the Central Government.

c) The Occupational Safety, Health and Working Conditions Code, 2020, received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The code proposes to provide for, *inter alia*, standards for health, safety and working conditions for employees of the establishments. The provisions of this code will be brought into force on a date to be notified by the Central Government.

d) The Code on Social Security, 2020, received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996, and the Unorganised Workers' Social Security Act, 2008. This code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. The provisions of this code will be brought into force on a date to be notified by the Central Government.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally formed as a partnership firm under the Partnership Act, 1932 in the name of 'Stanley Seating' pursuant to a deed of partnership dated February 1, 2007. Our Company was thereafter incorporated as a public limited company as 'Stanley Lifestyles Limited' upon its conversion from a partnership firm in accordance with the provisions of Part IX of the Companies Act, 1956 and received a fresh certificate of incorporation dated October 11, 2007 and a certificate for commencement of business dated December 14, 2007 from the RoC.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of Board resolution	Details of the address of registered office	Reason
May 20, 2019	Change in registered office from 12/7, Shama Rao Compound, Mission Road, Bengaluru, Karnataka 560 027 to 68/A, Bommasandra Industrial Area, 1st Phase, Hebbagodi, Bengaluru, Karnataka 560 099.	For administrative convenience
September 9, 2020	Change in registered office from 68/A, Bommasandra Industrial Area, 1st Phase, Hebbagodi, Bengaluru, Karnataka 560 099 to SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bengaluru, Karnataka 560 100.	For administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

(1) *To carry on the business of manufacturers, processors, importers, exporters, buyers, sellers, stockists, dealers, commission agents for leather hides & skins, adhesives and formulations of all kinds products of leather goods such as industrial and textile leather goods, sports, goods, fancy leather articles, and to take over the partnership business of STANLEY SEATING, Bangalore by the way of Registration as a Limited Company pursuant to Section 565 and 567 of the Companies Act, 1956. (Under Chapter IX of the Companies Act, 1956) Companies Act 2013 and any other law as may be applicable to a Limited Company.*

(2) *To carry on the business of manufactures, importers, exporters, buyers, sellers, stockists, dealers, commission agents, repairers in all kinds of footwear articles, stationery items, novelties, travel accessories and to act as consultants for the above industries and components of leather, rubber, plastic goods, lasts, boots trees, laces, buckles, leggings, boot polishers, purses, bags, boxes, belts, watch straps and accessories and fittings made in any material, To purchase, sell, import, export, repair, manufacture or otherwise deal in all types of machines used in textile business as footwear and leather tanning machines, sewing, curing finishing machines, tools and implements relating to the above objects.*

(3) *To carry on the business of manufacturers, importers, and exporters, whole sale and retail dealers of and in men's woman's and children's we: rig apparel of every kind, nature and description made out of leather, fabric, hosiery material or a combination. Non-woven and synthetic fabrics, poromeric leather, leatherite, natural and modified cellulose, laminated products, printed or woven fabrics, papers, pulps and products thereof and to carry on the business of manufacture, dealers, importers and -exporters, wholesale or retail of all types of furniture made from wood, brass, steel, fiber glass, plastics or other alloys and handicrafts or otherwise of house of furniture's, upholsters and dealers in and hirers, repair cleaners, stores and warehouse of furniture, carpet., linoleums, furnishing fabrics and other floor coverings, household utensils, chine and glass goods fittings, colourful curtains, handmade home furnishings and carpets, table lamps, household requisites of all kinds and all things capable of being used therewith or in the maintenance, repair thereof.*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

The following table set forth details of the amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of the amendments
October 7, 2017	• Clause III (A)(1) of the Memorandum of Association of our Company was amended to insert the phrase "*Companies Act 2013 and any other law as may be applicable to a Limited Company*" • Clause III (B)(14) of the Memorandum of Association of our Company was amended to substitute the year "1956" with "2013"

Date of Shareholders' resolution/Effective date	Details of the amendments
	• Clause III (B)(15) of the Memorandum of Association of our Company was amended to substitute the year "1956" with "2013" • Clause III (C)(1) to Clause III (C)(18) of the Memorandum of Association of our Company titled "THE OTHER OBJECTS NOT INCLUDED IN (A) AND (B) ABOVE" was deleted • Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹60,000,000 divided into 6,000,000 equity shares of face value of ₹10 each to ₹65,000,000 divided into 6,500,000 equity shares of face value of ₹10 each.
March 6, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹65,000,000 divided into 6,500,000 equity shares of face value of ₹10 each to ₹75,000,000 divided into 7,500,000 equity shares of face value of ₹10 each.
June 19, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect split in the authorised share capital of our Company from ₹75,000,000 divided into 7,500,000 equity shares of face value of ₹10 each to ₹75,000,000 divided into 37,500,000 equity shares of face value of ₹2 each.
June 19, 2023	Clause V of the Memorandum of Association of our Company was amended to reflect increase in the authorised share capital of our Company from ₹75,000,000 divided into 37,500,000 Equity Shares of face value of ₹2 each to ₹150,000,000 divided into 75,000,000 Equity Shares of face value of ₹2 each.

Major events and milestones of our Company

The table below sets forth the key events and milestones in the history of our Company:

Financial Year	Milestone
2007	Our Promoters started a partnership firm in the name of 'Stanley Seating'
2008	'Stanley Seating' was converted from a partnership firm to a public limited company in the name of 'Stanley Lifestyles Limited'
2011	Our Company opened its first franchisee owned franchisee operated store in Kochi, Kerala
2012	Our Company opened its first company owned company operated store in Bengaluru, Karnataka
2012	Our Company opened its first store in Chennai, Tamil Nadu
2018	Incorporation of our Subsidiary 'SDPL' through a joint venture agreement dated June 2, 2017 entered into between Stanley Retail Limited, Sharmila Manghnani and Rajesh Manghnani, and opened our first 'company-owned company operated' store in Hyderabad
2019	Raised funding of an amount of ₹ 1,000 million from Oman India Joint Investment Fund II, pursuant to the SSHA
2019	Our Company opened its first store under 'Sofas & More by Stanley' format to offer products which fall in the mid-high category
2019	Our Company opened its first store under 'Stanley Level Next' format to offer luxury products
2021	The store count of our Company increased to 25 stores
2022	Our Company opened its first 'company owned company operated' store in Delhi
2023	The store count of our Company increased to more than 50 stores

Awards and accreditations

Details of key awards received are set out below:

Financial Year	Name of the award
2023	Implemented Occupational Health and Safety Management System in accordance with ISO 45001:2018 for manufacturing and supply of upholstered home and office furniture, car seats, leather products and kitchen cabinets by TUV SUD South Asia Private Limited
2023	Implemented Quality Management System in accordance with ISO 9001:2015 for manufacture and supply of genuine leather upholstery by TUV SUD South Asia Private Limited
2023	Implemented Environmental Management System in accordance with ISO 14001:2015 for manufacture and supply of genuine leather upholstery by TUV SUD South Asia Private Limited
2023	Received Greenguard Certificate of Compliance for Manufacture, Supply & Installation of Furniture Like Sofa, Chairs, Table, Mattress, Beds, Leather Shoe, Bag, Metal Fabricated Furniture, Kitchen, Cabinets and Modular Furniture
2020	Received "Best Large Stand" award at Australia International Furniture Fair

Corporate profile of our Company

For our corporate profile, including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see "*Risk Factors*", "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 171, 216 and 320, respectively.

Time and cost overruns

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling/ restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of stores

For details regarding locations of our stores, see "*Our Business*" on page 171.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and "*– Major Events and Milestones of our Company*" on pages 171 and 206, respectively.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus, except investment in the securities of our Subsidiaries as follows:

(i) **Joint venture agreement dated June 2, 2017 between SRL, Sharmila Manghnani and Rajesh Manghnani ("Incoming Shareholders") ("Shrasta JV Agreement")**

Our Subsidiary, SRL and the Incoming Shareholders pursuant to the Shrasta JV Agreement incorporated a company 'Shrasta Décor Private Limited' ("**SDPL**") for the 'purpose of setting up and managing a store to sell all kinds of furniture, modular kitchen, lighting and carpets and such other products as may be agreed in writing. SRL and the Incoming Shareholders each held 50% of the issued, subscribed and paid up equity capital of SDPL.

Key obligations of SRL under the Shrasta JV Agreement, *inter alia*, are as follows:

a. Provide technical and operations advise to SDPL for the management of the store;

b. Supply stocks to the store from our Company on credit terms as agreed between our Company and SDPL; and

c. Imparting requisite training to adequate number of the personnel of SDPL at the store and deputing to SDPL, suitable specialists at cost to train personnel at the facilities of SDPL and provide other general technical assistance.

Key obligations of the Incoming Shareholders under the Shrasta JV Agreement, *inter alia,* are as follows:

a. Obtaining necessary statutory registrations, licenses, approvals at its cost as may be required for the execution and setting up the store;

b. Finance the capital expenditure pertaining to the interiors of the store; and

c. Assisting in managing the technical, operations and finance components of SDPL's business.

(ii) **Memorandum of understanding dated October 30, 2021 between our Subsidiary, SDPL and M/s Design Eight ("Design Eight MoU") and the transfer agreement dated June 27, 2022 between our Subsidiary, SDPL and M/s Design Eight, its founders, Sharmila Manghnani, Rajesh Manghnani, Danish Manghnani and Muskaan Manghnani (collectively with Design Eight MoU, "Design Eight BTA")**

Our Subsidiary, SDPL is a joint venture between SRL and two of the founders of M/s Design Eight, namely, Sharmila Manghnani and Rajesh Manghnani. For details of the joint venture arrangement, please see *"– Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years - joint venture agreement dated June 2, 2017 between SRL Sharmila Manghnani and Rajesh Manghnani"* on page 207. Pursuant to the Design Eight BTA, all the assets (as identified in the Design Eight MoU) without any liabilities other than the assumed liabilities of M/s Design Eight, including the intellectual property right over the trademark "Design Eight" and "D8", were transferred to SDPL on an "as is where is" basis free and clear from all encumbrances for a total consideration of ₹102.72 million. Further, with effect from June 27, 2022 ("**BTA Closing Date**"), SDPL was fully and legally entitled to carry on the business of "Design Eight" and "D8" in its own name and for its sole benefit and the Design Eight partnership firm shall be wound up within a period of 18 months from the BTA Closing Date.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has 3 direct Subsidiaries and 4 step down Subsidiaries. The details of our Subsidiaries have been provided below:

Direct Subsidiaries

1. ABS Seating Private Limited

Corporate Information

ASPL was incorporated on May 27, 2005, as a private limited company under the Companies Act, 1956. Its registered office is situated at CRC Building, 369 Sultanpur Crossing, Mehrauli, Gurgaon Road, New Delhi 110 030. The CIN is U36109DL2005PTC136809.

Nature of Business

ASPL is engaged in the business of wholesale or retail manufacturing of all kinds of seat covers, accessories and fittings made of leather/PU/PVC, fabric and other material, as authorized under the objects clause of its memorandum of association

Capital Structure

The authorised share capital of ASPL is ₹3,100,000 divided into 310,000 equity shares of face value ₹10 each and the issued, subscribed and paid up equity share capital of ASPL is ₹2,964,000 divided into 296,400 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of ASPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Lifestyles Limited	198,588	67.00
Bhupinder Singh Chawla	50,388	17.00
Haneet Singh Chawla	47,424	16.00

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of ABS that have not been accounted for by our Company.

2. Stanley OEM Sofas Limited

Corporate Information

SOSL was originally incorporated as ‘Sunny OEM Sofas Limited’ on December 30, 2015 as a public limited company under the Companies Act, 2013. The name of SOSL was thereafter changed to ‘Stanley OEM Sofas Limited’ pursuant to a certificate of incorporation dated June 1, 2016. Its registered office is situated at Plot No. 52, 66 & 67, Bommasandara Jigani, Link Road, Jigani Ind. Area, Anekal Taluk, Bengaluru, Karnataka 562 106. The CIN is U74900KA2015PLC084973.

Nature of Business

SOSL is engaged in the business of processors, manufacturing, importers, exporters, buyers, sellers, stockists, dealers, commission agents for sofas, leather furniture, office chairs, office systems, tables and accessories, leather hides and skins, adhesives and formulations of all kinds of leather goods such as industrial and textile leather goods, sports goods, fancy leather articles, tables of any kind, interior decoration articles, accessories, fittings, floor coverings, car seatings and car accessories, as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized share capital of SOSL is ₹40,000,000 divided into 4,000,000 equity shares of face value ₹10 each and the issued, subscribed and paid up equity share capital of SOSL is ₹37,600,000 divided into 3,760,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of SOSL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Lifestyles Limited	3,759,940	100.00*
Sunil Suresh	10	Negligible*
Shubha Sunil	10	Negligible*
Anantha Krishnan Vishwanath	10	Negligible*
Rohith Krishna	10	Negligible*
Rakesh V Gurikar	10	Negligible*
Kiran Bhanu Vuppalapati	10	Negligible*

**100% of the beneficial interest in the shareholding of SOSL is held by our Company.*

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SOSL that have not been accounted for by our Company.

3. Stanley Retail Limited

Corporate Information

SRL was incorporated on May 26, 2008 as a public limited company under the Companies Act, 1956. Its registered office is situated at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bengaluru, Karnataka 560 100. The CIN is U52599KA2008PLC046573.

Nature of Business

SRL is engaged in the business of processors, importers, exporters, buyers, sellers, stockists, dealers, commission agents for leather hides and skins, adhesives, leather furniture, office chairs, office systems, tables and accessories, and formulations of all kinds of leather goods such as industrial and textile leather goods, sports, goods, fancy leather articles, as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized share capital of SRL is ₹50,000,000 divided into 5,000,000 equity shares of face value ₹10 each and the issued, subscribed and paid up equity share capital of SRL is ₹49,161,300 divided into 4,916,130 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of SRL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Lifestyles Limited	4,790,514	97.45*
Sunil Suresh	56,400	1.15*
Shubha Sunil	600	Negligible*
Akshaya Badrinarayanan	600	Negligible*
Malik UL Ashtar Yakoobhai Chamdawala	600	Negligible*
Bhupinder Singh Chawla	600	Negligible*
Ravi MM	600	Negligible*
Rohith Krishna	600	Negligible *
MD Divakar	32,808	0.67*
K Muralikrishna	19,685	0.40*
DS Rupa	13,123	0.27*

**100% of the beneficial interest in the shareholding of SRL is held by our Company..*

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SRL that have not been accounted for by our Company.

Step down Subsidiaries

1. Sana Lifestyles Limited

Corporate Information

Sana Lifestyles was incorporated on August 19, 2011 as a public limited company under the Companies Act, 1956. Its registered office is situated at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bengaluru, Karnataka 560 100. The CIN is U74999KA2011PLC060059.

Nature of Business

Sana Lifestyles is engaged in the business of processors, importers, exporters, buyers, sellers, stockists, dealers, retailers, commission agents for leather hides and skins, adhesives, leather furniture, chairs, tables and accessories, and formulations of all kinds of leather goods such as industrial and textile leather goods, sports, goods, fancy leather articles, which can be used in interior decoration, as authorized under the objects clause of its memorandum of association..

Capital Structure

The authorized share capital of Sana Lifestyles is ₹15,000,000 divided into 100,000 equity shares of face value ₹10 each and 1,400,000 6% cumulative redeemable preference shares of ₹10 each and the issued, subscribed and paid up equity share capital of Sana Lifestyles is ₹1,000,000 divided into 100,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of Sana Lifestyles as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Retail Limited	99,500	99.50*
Akshaya Badrinarayanan	100	0.10*
Shubha Sunil	50	0.05*
Deepthi Badrinarayan	100	0.10*
Rakesh V Gurikar	100	0.10*
Suresh S	50	0.05*
Sonakshi Sunil	100	0.10*

**100% of the beneficial interest in the shareholding of Sana Lifestyles Limited is held by SRL.*

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sana Lifestyles that have not been accounted for by our Company.

2. Scheek Home Interiors Limited

Corporate Information

SHIL was incorporated on February 25, 2010 as a public limited company under the Companies Act, 1956. Its registered office is situated at 68/A, Bommasandra Industrial Area, 1st Phase, Hebbagodi, Bengaluru, Karnataka 560 099. The CIN is U74994KA2010PLC052706.

Nature of Business

SHIL is engaged in the business of processors, importers, exporters, buyers, sellers, stockists, dealers, retailers, commission agents for leather hides and skins, adhesives, leather furniture, chairs, tables and accessories, and formulations of all kinds of leather goods such as industrial and textile leather goods, sports, goods, fancy leather articles, which can be used in interior decoration, as authorized under the objects clause of its memorandum of association..

Capital Structure

The authorized share capital of SHIL is ₹25,000,000 divided into 500,000 equity shares of face value ₹10 each and 2,000,000 1% redeemable cumulative preference shares of face value ₹10 each and the issued, subscribed and paid up equity share capital of SHIL is ₹500,000 divided into 50,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of SHIL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Retail Limited	49,500	99.00*
Sunil Suresh	100	0.20*
Rohit K	50	0.10*

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Suresh S	100	0.20*
Mir Jowher Hussain	100	0.20*
Rakesh V Gurikar	100	0.20*
Shubha Sunil	50	0.10*

**100% of the beneficial interest in the shareholding of SHIL is held by SRL.*

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SHIL that have not been accounted for by our Company.

3. Shrasta Decor Private Limited

Corporate Information

SDPL was incorporated on July 18, 2017 as a private limited company under the Companies Act, 2013. Its registered office is situated at 68/A, Bommasandra Industrial Area, 1st Phase, Hebbagodi, Bengaluru, Karnataka 560 099. The CIN is U74999KA2017PTC104758.

Nature of Business

SDPL is engaged in the business of processors, importers, exporters, buyers, sellers, stockists, dealers, commission agents for leather hides and skins, adhesives, leather furniture, office chairs, office systems, glass and crystals, electrical goods, kitchen items, carpets, ceramic items, tables and accessories, and formulations of all kinds of leather goods such as industrial and textile leather goods, sports, goods, fancy leather articles, as authorized under the objects clause of its memorandum of association..

Capital Structure

The authorized share capital of SDPL is ₹100,000,000 divided into 10,000,000 equity shares of face value ₹10 each and the issued, subscribed and paid up equity share capital of SDPL is ₹98,900,000 divided into 9,890,000 equity shares of face value ₹10 each.

Shareholding

The shareholding pattern of SDPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹10	% of total issued and subscribed capital
Stanley Retail Limited	5,533,448	55.95
Sharmila Manghnani	2,179,332	22.03
Rajesh Kushaldas Manghnani	2,177,220	22.01

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SDPL that have not been accounted for by our Company.

4. Staras Seating Private Limited

Corporate Information

SSPL was incorporated on July 7, 2005 as a private limited company under the Companies Act, 1956. Its registered office is situated at Crystal House, Plot No.79, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra 400 018. The CIN is U51909MH2005PTC154583.

Nature of Business

SSPL is engaged in the business of general merchant, traders, dealers, importers, exporters, commission agents, brokers, distributors, indenting agents of all items and merchandise and service, as authorized under the objects clause of its memorandum of association..

Capital Structure

The authorized share capital of SSPL is ₹10,100,000 divided into 101,000 equity shares of face value ₹100 each and the issued, subscribed and paid up equity share capital of SSPL is ₹10,100,000 divided into 101,000 equity shares of face value ₹100 each.

Shareholding

The shareholding pattern of SSPL as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of equity shares of face value ₹100	% of total issued and subscribed capital
Stanley Retail Limited	100,994	99.99*
Sunil Suresh	1	Negligible*
Shubha Sunil	1	Negligible*
Rohith K	1	Negligible*
Yusuf Abdhullah Merchant	1	Negligible*
Ravi MM	1	Negligible*
Suresh S	1	Negligible*

**100% of the beneficial interest in the shareholding of SSPL is held by SRL.*

Total Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SSPL that have not been accounted for by our Company.

Shareholders' agreements and other agreements

Subscription and Shareholders' Agreement dated July 25, 2018, executed between our Company, Oman India Joint Investment Fund II ("the Investor") and the Promoters, as amended pursuant to the first addendum dated August 28, 2018 ("First Addendum" and collectively "Shareholders' Agreement") and further as amended pursuant to the Waiver cum Amendment Agreement

Our Company, the Investor and the Promoters have entered into the Shareholders' Agreement which governs inter-se rights and obligations of the Investor and Promoters in our Company which include, *inter alia*, (i) information and inspection rights of the Investor in relation to certain matters of our Company and its Subsidiaries; (ii) right of attendance of Investor and Promoters to constitute quorum for Board, committees of Board, and shareholder's meetings; (iii) right of the Investor to appoint an observer to our Board and committees of our Company and its Subsidiaries; (iv) affirmative voting rights of the Investor on certain reserved matters (as specified in the Shareholders' Agreement) tabled at the meetings of the Shareholders, Board or any committees of our Board, including any amendment, supplement or restatement to the Memorandum of Association or the Articles of Association, any change in the issued, subscribed or paid up equity or preference share capital of our Company, any changes in the corporate governance policy including any changes in the composition of our Board or the size of our Board, and such affirmative voting rights extend to the Subsidiaries as well; (v) pre-emptive right of the Investor to subscribe, in the event of a further issue of Equity Shares by our Company; (vi) restriction on transfer of Equity Shares of the Promoters, including requirement to obtain prior consent from the Investor and tag-along rights; (vi) drag along rights of the Investor; (vii) subject to applicable laws, obligation of the Company to indemnify the Investor directors against any claims or losses incurred by such Investor directors, due any act, omission or conduct of or by the Company, its officials, employees, representatives, or the Shareholders, and (viii) obligation of the Company to indemnify the Investor against any losses arising out of or relating to any misstatements or omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities laws by the Company or any other error or omission of the Company in connection with a public offering hereunder, other than with respect to information provided by such Investor in writing expressly for inclusion therein

In accordance with the terms of the First Addendum, our Promoter, Sunil Suresh had to transfer 295,704 equity shares to an escrow account. For details, see "*Shareholders Agreements and other agreements – Shareholders Agreements and other Agreements*" on page 212.

Pursuant to the Waiver cum Amendment Agreement to the Shareholders' Agreement, it is clarified that subject to receipt of approval of the Shareholders post consummation of the Offer by way of a special resolution, at the first general meeting of the Shareholders held by the Company and thereafter subject to receipt of approval of Shareholders, periodically by special resolution as prescribed under applicable law, the Board shall necessarily include: (i) one non-executive Director who may be nominated by the Investor and such rights may be exercised by the Investor for so long as the Investor holds at least 5% of issued, subscribed and paid-up share capital of our Company on a fully diluted basis; (ii) two Promoters appointed as executive directors, till such time that they continue to be promoters of the Company as defined under the applicable laws; and (iii) such other number and categories of Directors, including independent Directors (as such term is understood under the Companies Act, 2013) as may be required to comply with applicable legal and regulatory requirements under the applicable laws, including the Companies Act, 2013 and the SEBI Listing Regulations, as amended. Further, the Promoters as long as they are promoters under the applicable laws, shall have the right appoint a person or nominate themselves as the chairman of the Board subject to receipt of approval of the Shareholders post consummation of the Offer by way of a special resolution, at the first general meeting of the Shareholders held by the Company and thereafter subject to receipt of approval of Shareholders periodically by special resolution as prescribed under applicable law.

In terms of the Waiver cum Amendment Agreement, certain waivers have been granted by the Investor until the IPO Long Stop Date (*as defined below*). Date in respect of information rights, right to appoint an observer on the Board, rights of first refusal, consequences of events of default and deposit of Equity Shares representing 4% issued and paid equity share capital of our Company by our Promoter, Sunil Suresh.

The Waiver cum Amendment Agreement will stand automatically terminated on the earlier of: (i) December 31, 2024, or such date as may be mutually agreed in writing among the parties; (ii) on the date on which the final observations of the SEBI received in connection with the Offer lapse in accordance with the applicable laws and regulations; and (iii) the date on which the Board decides not to undertake the Offer or to withdraw any offer document filed in respect of the Offer, including this Draft Red Herring Prospectus ("**IPO Long Stop Date**"). The Shareholders' Agreement shall automatically terminate and consequently, inter-se rights and/or obligations of the parties arising pursuant to terms of Shareholders' Agreement shall fall away with effect from IPO Long Stop Date.

Escrow agreement dated August 16, 2018 entered between our Company, one our Promoters, Sunil Suresh, Oman India Joint Investment Fund II and Axis Trustee Services Limited ("Escrow Agreement")

Our Company has entered into the Escrow Agreement pursuant to the Shareholders' Agreement. Basis the terms of the Escrow Agreement, one of our Promoters, Sunil Suresh shall deposit such number of equity shares held by him, which shall at all times represent 4% of the issued, subscribed and paid-up share capital of our Company ("**Escrow Shares**") on a fully diluted basis and shall be deemed to include any and all bonus shares, shares issued pursuant to a rights issue or a stock split in respect to these Escrow Shares, in an escrow account opened in the joint names of our Promoter, Sunil Suresh and Axis Trustee Services Limited ("**Escrow Agent**"). Pursuant to the letter agreement dated September 4, 2023 entered into between our Company, our Promoter, Sunil Suresh, Oman India Joint Investment Fund II and the Escrow Agent, (i) the Escrow Agreement shall be terminated with effect from the date of filing of the UDRHP, and (ii) immediately prior to filing of the UDRHP, the escrow documents shall be returned by the Escrow Agent to our Promoter, Sunil Suresh and the Escrow Shares (i.e. 2,069,928 Equity Shares held by our Promoter, Sunil Suresh which currently represent 4% of the issued, subscribed and paid-up share capital of our Company on a fully diluted basis) shall be transferred to the account of the our Promoter, Sunil Suresh as notified by the Promoter to the Escrow Agent and Investor in writing.

Other material agreements

Co-existence agreement dated December 15, 2015 between one of our Promoters Sunil Suresh and Stanley Furniture Company, INC ("SFC")

One of our Promoters, Sunil Suresh has entered into a co-existence agreement with Stanley Furniture Company, Inc dated December 15, 2015, under which Sunil Suresh is required to limit and restrict the use of registration of the term "*Stanley*" as a trademark in a composite manner (and not used as a single word mark "STANLEY" or "STANLEY FURNITURE") in respect of products made of or upholstered with artificial or natural leather and further not use the terms "STANLEY" or "STANLEY FURNITURE" on a standalone basis. Under the terms of the agreement, Sunil Suresh had withdrawn four trademark registrations and filed a request before the trademarks registry to amend the description of goods for each of the trademark applications filed by Sunil Suresh and SFC agreed to not object to Sunil Suresh's use or registration of marks containing "STANLEY" so long as the term "Stanley" is used as a component combined with other terms and provides that use and registration is limited to only goods made of or upholstered with natural or imitation leather. Further, SFC also withdrew all existing opposition filed against trademark applications filed by Sunil Suresh and undertook to not initiate any future legal action against Sunil Suresh solely as it related to the use or registration of marks containing "STANLEY" so long as the term "Stanley" is used as a component combined with other terms.

Trademark and copyright assignment deed dated March 1, 2023, between one of our Promoters, Sunil Suresh and our Company. ("Trademark and Copyright Assignment Deed– I")

In terms of the Trademark and Copyright Assignment Deed– I, one of our Promoters, Sunil Suresh, irrevocably assigned his rights, including all proprietary rights, interest and title associated with the trademarks and copyrights including, *inter alia*, "Angelo Italia", "Harry Cooper", "Karl Hans" together with the goodwill of the business accrued and all intellectual property rights accrued by virtue of use, in India and globally, for a perpetual term in favour of the Company, for a consideration of ₹ 0.3 million. Our Promoter will not use any of the trademarks or copyrights transferred pursuant to the Trademark and Copyright Assignment Deed-I, either as their trademark or as a part of their business name in any manner or will not do anything that may lead to infringement of the trademarks and copyrights transferred to our Company.

Trademark Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company ("Trademark Assignment Deed")

In terms of the Trademark Assignment Deed, one of our Promoters, Sunil Suresh, perpetually and irrevocably assigned, sold and transferred to our Company the entire worldwide rights, title and interest in and to the trademarks associated with primary brands and other brands which are necessary for our business and operations (including, *inter alia,* and along with any and all intellectual property rights contained therein and related thereto.

The material terms of the Trademark Assignment Deed include, *inter alia*, (i) our Company shall be entitled to use/ enjoy the trademarks transferred pursuant to the Trademark Assignment Deed, without any objection and interruption by our Promoter, Sunil Suresh or any other person; (ii) our Promoter, Sunil Suresh is permitted to use or file an application and seek registration for any trademark, logo or work of art containing the word "Stanley" either as his trademark or as a part of his other businesses which are not related to our business and operations; and; (iii) if either our Company or our Promoter is desirous of undertaking a business using the trademark, tradename, service mark, logo or artworks containing "Stanley" and/or filing applications and seeking registration for any trademark, tradename, service mark, logo or artworks containing "Stanley" in respect of a business which is currently not being undertaken by our Promoter or our Company, our Company or our Promoter (as the case may be) is required to provide a notice in writing of such an intention to the other party, who shall within 30 days from the receipt of such notice, provide a confirmation in writing, whether or not it has already commenced use or launched or ventured into such business.

Pursuant to the Trademark Assignment Deed, our Company shall pay our Promoter, Sunil Suresh in the following manner: (a) sum of ₹15 million at the time of execution of the Trademark Assignment Deed; (b) ₹ 90 million on the application for transfer of the trademarks on or before the second quarter of Financial Year 2024, i.e. on or before September 30, 2023; and (c) ₹ 120 million in four equal quarterly instalments of ₹ 30 million each across the following quarters: (i) third quarter of Financial Year 2024 (i.e., on or before December 31, 2023); (ii) fourth quarter of Financial Year 2024 (i.e., on or before March 31, 2024); and (iii) first quarter of Financial Year 2025 (i.e., on or before June 30, 2024); and (iv) second quarter of Financial Year 2025 (i.e., on or before September 30, 2024).

Copyright Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company ("Copyright Assignment Deed")

In terms of the Copyright Assignment Deed, one of our Promoters, Sunil Suresh, perpetually and irrevocably assigned, sold and transferred to our Company the entire worldwide rights, title and interest in and to the artworks associated with primary brands and other brands which are necessary for our business and operations (including, *inter alia*, and along with any and all intellectual property rights contained therein and related thereto.

The material terms of the Copyright Assignment Deed include, *inter alia*, (i) our Company shall be entitled to use/ enjoy the artworks transferred pursuant to the Copyright Assignment Deed, without any objection and interruption by our Promoter, Sunil Suresh or any other person; (ii) our Promoter, Sunil Suresh is permitted to use or file an application and seek registration for any artwork, similar to artworks transferred pursuant to the Copyright Assignment Deed, as a part of his other businesses which are not related to our business and operations; and; (iii) if either our Company or our Promoter is desirous of undertaking a business using the logo or artworks containing "Stanley" and/or filing applications and seeking registration for any logo or artworks containing "Stanley" in respect of a business which is currently not being undertaken by our Promoter or our Company, our Company or our Promoter (as the case may be) is required to provide a notice in writing of such an intention to the other party, who shall within 30 days from the receipt of such notice, provide a confirmation in writing, whether or not it has already commenced use or launched or ventured into such business.

Pursuant to the Copyright Assignment Deed, our Company shall pay our Promoter, Sunil Suresh in the following manner: (a) ₹ 10 million at the time of execution of the Copyright Assignment Deed; (b) ₹ 60 million on the application for transfer of the copyrights on or before the second quarter of Financial Year 2024, i.e. on or before September 30, 2023; and (c) ₹ 80 million in four equal quarterly instalments of ₹ 20 million across the following quarters: (i) third quarter of Financial Year 2024 (i.e., on or before December 31, 2023); (ii) fourth quarter of Financial Year 2024 (i.e., on or before March 31, 2024); (iii) first quarter of Financial Year 2025 (i.e., on or before June 30, 2024); and (iv) second quarter of Financial Year 2025 (i.e., on or before September 30, 2024).

The trademark and copyright assignment deed dated June 24, 2022 between Design Eight Private Limited and SDPL ("D8 Trademark Assignment Deed")

In terms of the D8 Trademark Assignment Deed, Design Eight Private Limited, assigned to SDPL all its rights, including all proprietary rights, interest and title on the trademark , registered as a trademark under class 20, for an aggregate consideration of ₹5.90 million.

Except for the agreement disclosed above and under "- *Shareholder's Agreements and other Agreements*" and *"- Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years"* on pages 212 and 207 respectively, our Company has not entered into any material agreement with strategic partners, joint venture partners or financial partners, to the extent applicable, other than in the ordinary course of business.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

As on the date of this Draft Red Herring Prospectus, there are no outstanding guarantees given by our Promoters to any third party.

Agreements with Key Managerial Personnel, Senior Management Personnel, Director, Promoters, or any other employee

Share purchase agreement dated March 26, 2019 between one of our Promoters Sunil Suresh and our Company ("ABS Share Purchase Agreement")

Pursuant to ABS Share Purchase Agreement, our Company purchased 198,588 fully paid up equity shares amounting to 67% of the outstanding shares of ABS Seating Private Limited at a price of ₹ 97.73 per equity share for a total consideration of ₹ 19.41 million from our Promoter, Sunil Suresh.

Except for the ABS Share Purchase Agreement and ESOP 2022, our Key Managerial Personnel, Senior Management Personnel, Director, Promoters, or any other employees have not entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company. For further details, see *"Capital Structure – Employee Stock Options Scheme of our Company" and "Our Management"* on pages 84 and 216, respectively.

Common pursuits between our Subsidiaries and our Company

Our Company is engaged in the business of leather and fabric furniture manufacturing sector and its retail. As per their constitutional documents, all of our Subsidiaries are authorised to conduct business in the same line of business as our Company, across different geographies. SRL, Sana Lifestyles, SDPL, ASPL and SSPL are currently engaged in the same line of business as our Company in relation to leather and fabric furniture retail sector, whereas SOSL is currently engaged in the same line of business as our Company in the retail, leather and fabric furniture manufacturing sectors. For details, see "*Our Business*" on page 171.

Business interests in our Company

Except in the ordinary course of business and other than the transactions disclosed in "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information - Note* 38*: Details of Related Party Disclosures*" on page 294, our Subsidiaries have no business interests in our Company.

OUR MANAGEMENT

In terms of the Articles of Association, our Company can have a maximum of fifteen directors. As on the date of this Draft Red Herring Prospectus, our Board has six directors comprising of two Executive Directors, four Non-Executive Director (including three Independent Directors, which includes one woman Director).

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

<table>
<tr><th>S. No.</th><th>Name, designation, period of directorship, term, address, occupation, date of birth and DIN</th><th>Age (in years)</th><th>Other directorships</th></tr>
<tr><td>1.</td><td>Sunil Suresh

Designation: Managing Director

Period of Directorship: Director since October 11, 2007, and shall be liable to retire by rotation

Term: With effect from August 16, 2023 for a period of 5 years

Address: No 275, 10th Cross, Wilson Garden, Bengaluru, Karnataka 560 027

Occupation: Business

Date of Birth: February 18, 1966

DIN: 01421517</td><td>57</td><td>• ABS Seating Private Limited;
• Sana Lifestyles Limited;
• Scheek Home Interiors Limited;
• Shrasta Decor Private Limited;
• Stanley OEM Sofas Limited;
• Stanley Retail Limited; and
• Staras Seating Private Limited.</td></tr>
<tr><td>2.</td><td>Shubha Sunil

Designation: Whole Time Director

Period of Directorship: Director since October 11, 2007, and shall be liable to retire by rotation

Term: With effect from August 16, 2023 for a period of 5 years

Address: No. 1/1, Flat S-2, Skyline May Flower Apartments, Leonard Lane, Richmond Town, Bengaluru, Karnataka 560 025

Occupation: Business

Date of Birth: February 4, 1975

DIN: 01363687</td><td>48</td><td>• ABS Seating Private Limited;
• Sana Lifestyles Limited;
• Scheek Home Interiors Limited;
• Shrasta Decor Private Limited;
• Stanley OEM Sofas Limited;
• Stanley Retail Limited; and
• Staras Seating Private Limited.</td></tr>
<tr><td>3.</td><td>Vishal Verma

Designation: Non-Executive Nominee Director(1)

Period of Directorship: Director since March 3, 2022

Term: With effect from March 3, 2022 until such nomination is revoked by Oman India Joint Investment Fund II

Address: E-604, 6th Floor, Raheja Vistas CHSL, Raheja Vihar, Chandivali, Powai, Mumbai, Maharashtra 400 072

Occupation: Services

Date of Birth: May 5, 1981

DIN: 07056461</td><td>42</td><td>• Stanley Retail Limited</td></tr>
<tr><td>4.</td><td>Girish Shrikrishna Nadkarni

Designation: Independent Director

Period of Directorship: Director since April 7, 2022

Term: With effect from April 7, 2022 for a period of 5 years

Address: B-37, 37th Floor, Ahuja Tower, Rajabhav Desai Marg, Prabhadevi, Mumbai, Maharashtra 400 025</td><td>55</td><td>• Clair Advisors Private Limited
• Stanley Retail Limited</td></tr>
</table>

S. No.	Name, designation, period of directorship, term, address, occupation, date of birth and DIN	Age (in years)	Other directorships
	Occupation: Business **Date of Birth:** February 27, 1968 **DIN:** 00040971		
5.	**Ramanujam Venkat Raghavan** **Designation:** Independent Director **Period of Directorship:** Director since August 22, 2023 **Term:** With effect from August 22, 2023 for a period of 5 years **Address:** 173 Sobha Morzaria Grandeur Apartment, Bannerghatta Main Road, Dharmaram College, Bengaluru, Karnataka 560 029 **Occupation:** Professional **Date of Birth:** January 27, 1968 **DIN:** 06886628	55	• Shahi Exports Private Limited
6.	**Anusha Shetty** **Designation:** Independent Director **Period of Directorship:** Director since August 22, 2023 **Term:** With effect from August 22, 2023 for a period of 5 years **Address:** #2, Century Renata – Flat 410, Raja Ram Mohan Roy Road, opposite EPF office, Sampangiram Nagar, Richmond Town, Bengaluru, Karnataka 560 025 **Occupation:** Business **Date of Birth:** August 21, 1969 **DIN:** 01666992	54	• Autumn Advertising Private Limited; • The Advertising Standards Council of India; and • Advertising Agencies Association of India.

(1) *Nominee of Oman India Joint Investment Fund II.*

Brief Biographies of Directors

Sunil Suresh is the Managing Director of our Company. He has passed S.S.L.C examination undertaken by Karnataka Secondary Education Examination Board. He has been associated with our Company as a promoter and a director since October 11, 2007.

Shubha Sunil is the Whole Time Director of our Company. She has cleared the bachelor's of science examination held by Bangalore University, Karnataka. She holds a certificate of completion of the INSEAD leadership programme for senior executives from INSEAD. She has been associated with our Company as a promoter and director since October 11, 2007.

Vishal Verma is a Non-Executive Nominee Director of our Company. He holds a master's degree in business administration from Indian Institute of Foreign Trade, New Delhi. He has over 17 years of experience including 14 years on the buy side in private equity funds. He currently works as a Principal with Oman India Joint Investment Fund Management Company Private Limited and has been with the fund since December 3, 2012. Prior to his current organisation, he worked with ICICI Bank Limited.

Girish Shrikrishna Nadkarni is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and has cleared the examination held by the Institute of Cost Accountant of India (erstwhile the Institute of Cost and Work Accountants of India). He holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 16 years of experience and has previously worked with IL&FS Investsmart Limited, Avendus Capital Private Limited and Motilal Oswal Investment Advisors Private Limited. He is currently serving as a director on the board of Clair Advisors Private Limited.

Ramanujam Venkat Raghavan is an Independent Director of our Company. He has cleared the bachelor's of commerce examination held by Bangalore University. He has over 18 years of experience and is currently working with Shahi Exports Private Limited as the chief executive officer and director.

Anusha Shetty is an Independent Director of our Company. She holds a post graduate diploma in management from T. A. Pai Management Institute, Manipal. She has over 17 years of experience and is currently working with Grey Group India as chairperson and group chief executive officer.

Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel

Except for Sunil Suresh, Shubha Sunil who are spouses and Sonakshi Sunil, who is their daughter, none of our Directors, Key Managerial Personnel and Senior Management Personnel are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium, in accordance with the applicable guidelines issued by the Reserve Bank of India.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as members by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Terms of appointment of our Directors

Sunil Suresh

Sunil Suresh was one of the first directors of our Company. He was subsequently appointed as the Managing Director of our Company for a period of 5 years beginning from August 16, 2023, pursuant to a board resolution dated August 16, 2023 and the Shareholders resolution dated August 22, 2023.

The details of the remuneration payable to Sunil Suresh with effect from August 16, 2023 pursuant to the board resolution dated August 16, 2023, the Shareholders' approval dated August 22, 2023 are provided below:

i. **Gross Monthly salary**: ₹ 1.61 million;
ii. **Expenses**: The Company will reimburse all properly documented expenses reasonably related to the performance of his duties in accordance with its standard policy;
iii. **Holidays**: He will be entitled to avail of holidays as per the policies of the Company in force from time to time;
iv. **Benefits**: His entitlement to the benefit schemes of the Company shall be in accordance with applicable law and as per the Company's policies in force from time to time; and
v. Excluded above, he will be entitled to the following benefits:
    a. Provision of telephones, fax and internet access at his residence;
    b. Provision of house rent allowance as per the Company's policies from time to time; and
    c. Up to 2 vehicles including drivers, maintenance, fuel for discharging official duties.

Shubha Sunil

Shubha Sunil was one of the first directors of our Company. She was subsequently appointed as the Whole Time Director of our Company for a period of 5 years beginning from August 16, 2023, pursuant to a board resolution dated August 16, 2023 and the Shareholders resolution dated August 22, 2023.

The details of the remuneration payable to Shubha Sunil with effect from August 16, 2023 pursuant to the board resolution dated August 16, 2023, the Shareholders' approval dated August 22, 2023 are provided below:

i. **Gross Monthly salary**: ₹ 1.73 million;
ii. **Expenses**: The Company will reimburse all properly documented expenses reasonably related to the performance of her duties in accordance with its standard policy;
iii. **Holidays**: She will be entitled to avail of holidays as per the policies of the Company in force from time to time;
iv. **Benefits**: Her entitlement to the benefit schemes of the Company shall be in accordance with applicable law and as per the Company's policies in force from time to time; and
v. Excluded above, she will be entitled to the following benefits:
    a. Provision of telephones, fax and internet access at her residence;

b. Provision of house rent allowance as per the Company's policies from time to time; and
c. Up to 2 vehicles including drivers, maintenance, fuel for discharging official duties.

Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in Financial Year 2023 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Sunil Suresh	18.27
2.	Shubha Sunil	19.54

Further, Shubha Sunil has also received ₹ 0.04 million as part of reimbursement, in accordance with her terms of appointment.

Remuneration to our non-executive Directors

Non- Executive Directors

Pursuant to the resolution dated August 22, 2023 passed by our Board, the Non-Executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 75,000 for attending each meeting of our Board, a sitting fee of ₹ 60,000 for attending each meeting of the audit committee and a sitting fee of ₹ 50,000 for attending each meeting of the nomination and remuneration committee of our Board. No remuneration was paid to our Non - Executive Directors and Independent Directors in the Financial Year 2023, except for ₹ 0.16 million paid for directorship of Girish Nadkarni as an Independent Director and ₹ 0.20 million paid for directorship of Vishal Verma as Non - Executive Director.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Financial Year 2023.

Remuneration paid to our Directors by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, none of our Directors are entitled to remuneration from our Subsidiaries. Further, except Shubha Sunil, who was paid a remuneration of ₹ 3.26 million for the Financial Year 2023 by our Subsidiary, SRL, none of our Directors received any remuneration from our Subsidiaries in Financial Year 2023 and no contingent or deferred compensation payable to any of our Directors by our Subsidiaries accrued in Financial Year 2023.

Our Company does not have any associate company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except Vishal Verma who are nominees of Oman India Joint Investment Fund II, none of our Directors have been appointed or selected as a Director pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

For details, see "- *Terms of appointment of our Directors*" on page 218.

Bonus or profit-sharing plan for Directors

Our Company does not have any bonus or profit-sharing plan for Directors. For details, see *"- Terms of appointment of our Directors"* on page 218.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer equity share capital (%)	Percentage of the pre-Offer equity share capital (%)
1.	Sunil Suresh	17,375,547	33.68	33.68
2.	Shubha Sunil	17,375,533	33.68	33.68
3.	Ramanujam Venkat Raghavan	51,989	0.10	0.10
Total		**34,803,069**	**67.45**	**67.45**

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration (including sitting fees, as applicable) and reimbursement of expenses, payable to them by our Company under our Articles of Association and their terms of appointment, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For details, see "-*Terms of appointment of our Directors"* on page 218. Further, our Managing Director is also entitled to consideration in terms of the Copyright Assignment Deed and Trademark Assignment Deed. For details, see "*History and certain other matters- Other Material Agreements*"

Except Sunil Suresh and Shubha Sunil, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to their relatives and companies, firms and trusts, in which they are interested as directors, proprietors, members, partners, trustees and promoters, pursuant to this Offer.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested as members, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested as members, in connection with the promotion or formation of our Company.

No loans have been availed by our Directors from our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below:

Name	Date of Change	Reason for change in board
Srinath Srinivasan	August 31, 2023	Resigned as Non-Executive Nominee Director on behalf of Oman India Joint Investment Fund II due to reconstitution of board for compliance with applicable laws.
Sagarvasudev Venkatesh Kamath	August 22, 2023	Resigned as Director due to preoccupation
Ramanujam Venkat Raghavan	August 22, 2023	Appointment as Independent Director
Anusha Shetty	August 22, 2023	Appointment as Independent Director
Sunil Suresh	August 16, 2023	Re-appointed as Managing Director
Shubha Sunil	August 16, 2023	Re-appointed as Whole Time Director
Peruvamba Subramaniam Jagdish	September 6, 2022	Resigned as Non-Executive Nominee Director on behalf of Peruvamba Estates Private Limited (formerly known as Emmjay Financial Ventures Private Limited) due to preoccupation
Sagarvasudev Venkatesh Kamath	August 2, 2022	Appointment as Additional Director (Non-Executive, Independent)[1]
Sagarvasudev Venkatesh Kamath	July 21, 2022	Resigned as Director upon completion of tenor
Srikanth Murthy	April 15, 2022	Resigned as Director due to preoccupation
John Douglas Collier	April 11, 2022	Resigned as Director due to preoccupation
Girish Shrikrishna Nadkarni	April 7, 2022	Appointment as Additional Director (Non-Executive, Independent)[2]
Vishal Verma	March 3, 2022	Appointment as Non- Executive Nominee Director on behalf of Oman India Joint Investment Fund II
Satish Chavva	March 3, 2022	Resigned as Non-Executive Nominee Director on behalf of Oman India Joint Investment Fund II due to personal reasons
Sagarvasudev Venkatesh Kamath	July 22, 2021	Appointment as Additional Director (Non-Executive, Independent)[3]
Raghu Venkataraman	March 26, 2021	Resigned as Director due to preoccupation

1. *Regularised as non-executive independent director pursuant to a resolution passed by our Shareholders on September 30, 2022.*
2. *Regularised as non-executive independent director pursuant to a resolution passed by our Shareholders on September 30, 2022.*
3. *Regularised as non-executive independent director pursuant to a resolution passed by our Shareholders on October 25, 2021.*

Borrowing powers of the Board

Pursuant to a resolution passed by our Board in its meeting dated August 31, 2023 and our Shareholders at their meeting dated August 31, 2023, our Board is authorized to borrow a sum or sums of money, which together with the monies already borrowed by our Company, apart from the temporary loans obtained from our Company's bankers in the ordinary course of business, in excess of our Company's aggregate paid-up capital and free reserves, provided that the total amount which may be so borrowed and together with the money already borrowed by our Company shall not exceed a sum of ₹2000.00 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of our Board, including the audit committee, stakeholders' relationship committee, nomination and remuneration committee, corporate social responsibility committee and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations. In terms of the SEBI Listing Regulations, Girish Shrikrishna Nadkarni has been appointed as an independent director on the board of our Material Subsidiary, namely, SRL.

Our Board has been constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations. Our Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, our Board comprises of six Directors, i.e., two Executive Directors, four Non-Executive Director (including three Independent Directors, which includes one woman Director). In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below. In addition to the Committees detailed below, our Board may, from time to time constitute other committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Girish Shrikrishna Nadkarni, Chairman;
2. Ramanujam Venkat Raghavan; and
3. Shubha Sunil.

The Audit Committee was constituted pursuant to a resolution dated May 5, 2014 passed by our Board and last re-constituted on August 22, 2023. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 22, 2023 passed by our Board are set forth below:

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of our Company;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of outsiders with relevant expertise if it considers necessary; and

(e) such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall, *inter alia,* include the following:

(a) oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of our Company and the fixation of audit fee;

(c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(d) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

    ii) changes, if any, in accounting policies and practices and reasons for the same;

    iii) major accounting entries involving estimates based on the exercise of judgment by management;

    iv) significant adjustments made in the financial statements arising out of audit findings;

    v) compliance with listing and other legal requirements relating to financial statements;

    vi) disclosure of any related party transactions;

    vii) modified opinion(s) in the draft audit report;

(e) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(f) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

(j) scrutiny of inter-corporate loans and investments;

(k) valuation of undertakings or assets of our Company, wherever it is necessary;

(l) evaluation of internal financial controls and risk management systems;

(m) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) discussion with internal auditors of any significant findings and follow up there on;

(p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) to review the functioning of the whistle blower mechanism;

(t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(u) identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of our Company's proposed initial public offering;

(v) carrying out any other function as is mentioned in the terms of reference of the audit committee or as required as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law, as and when amended from time to time;

(w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and

(x) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders.

The Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses; and

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(e) statement of deviations:

  (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

  (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(f) To review the financial statements, in particular, the investments made by any unlisted subsidiary; and

(g) Such information as may be prescribed under applicable law, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Anusha Shetty, Chairperson;

2. Girish Shrikrishna Nadkarni; and

3. Vishal Verma

The Nomination and Remuneration Committee was constituted pursuant to a resolution dated March 31, 2015 passed by our Board and last re-constituted on August 22, 2023. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 22, 2023 passed by our Board are set forth below:

(a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of our Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy"). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

  (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

  (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

  (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

(b) formulation of criteria for evaluation of performance of independent directors and the Board;

(c) for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  (i) use the services of an external agencies, if required;

  (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

  (iii) consider the time commitments of the candidates.

(d) devising a policy on Board diversity;

(e) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(f) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(g) recommend to the Board, all remuneration, in whatever form, payable to senior management;

(h) carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Girish Shrikrishna Nadkarni, Chairman of the committee;

2. Sunil Suresh;

3. Anusha Shetty; and

4. Vishal Verma.

The Stakeholders' Relationship Committee was constituted pursuant to resolution of our Board dated August 22, 2023. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 22, 2023 passed by our Board are set forth below:

(a) Resolving the grievances of the security holders of our Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(b) Review of measures taken for effective exercise of voting rights by shareholders.

(c) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

(d) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company; and

(e) carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The members of the risk management committee are:

1. Ramanujam Venkat Raghavan, Chairman;

2. Shubha Sunil; and

3. Pradeep Kumar Mishra.

The Risk Management Committee was constituted pursuant to a resolution dated August 31, 2023 passed by our Board. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to a resolution dated August 31, 2023 passed by our Board are set forth below:

1. To formulate a detailed risk management policy which shall include:

    (a) A framework for identification of internal and external risks specifically faced by our Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the committee.

    (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

    (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Social Responsibility Committee

The members of the corporate social responsibility Committee are:

1. Ramanujam Venkat Raghavan, Chairman;

2. Anusha Shetty

3. Shubha Sunil; and

4. Vishal Verma

The corporate social responsibility committee was constituted by our Board pursuant to a resolution dated May 28, 2015 passed by our Board and last re-constituted on August 22, 2023. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to a resolution dated August 22, 2023 passed by our Board are set forth below:

(a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, as amended;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) monitor the corporate social responsibility policy of our Company and its implementation from time to time; and

(d) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

IPO Committee

The members of the IPO Committee are:

1. Sunil Suresh;

2. Shubha Sunil; and

3. Vishal Verma.

The IPO committee was constituted by our Board pursuant to a resolution dated May 12, 2023 passed by our Board. The terms of reference as stipulated pursuant to a resolution dated May 12, 2023 passed by our Board are set forth below:

(a) To decide, in consultation with the BRLMS, the size, timing, pricing and all other terms and conditions of the issue and transfer of the Equity Shares for the Offer, including the number of Equity Shares to be offered pursuant to the Offer (including any reservation, green shoe option and any rounding off in the event of oversubscription) price and any discount allowed under Applicable Laws that may be fixed and determined in accordance with the Applicable Laws, and to accept any amendments, modifications, variations, or alterations thereto;

(b) To amend the terms of participation by the Selling Shareholders in the Offer for Sale, including to allow revisions in the Offer for Sale portion, in accordance with Applicable Laws;

(c) To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

(d) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the Draft Red Herring

Prospectus, the Red Herring Prospectus the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(e) To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

(f) To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

(g) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of our Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

(h) To seek, if required, the consent and/or waiver of the lenders of our Company, customers, parties with whom our Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

(i) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;

(j) To open and operate bank accounts of our Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;

(k) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(l) To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

(m) To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of our Company and other employees of our Company;

(n) To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by our Company with the relevant stock exchanges, to the extent allowed under law;

(o) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of our Company to sign all or any of the aforestated documents;

(p) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(q) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

(r) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of our Company to execute all or any of the aforestated documents;

(s) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of our Company where necessary;

(t) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

(u) To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, and the relevant stock exchange(s) where the Equity Shares are to be listed;

(v) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

(w) To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of our Company;

(x) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(y) To approve the list of 'group of companies' of our Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus;

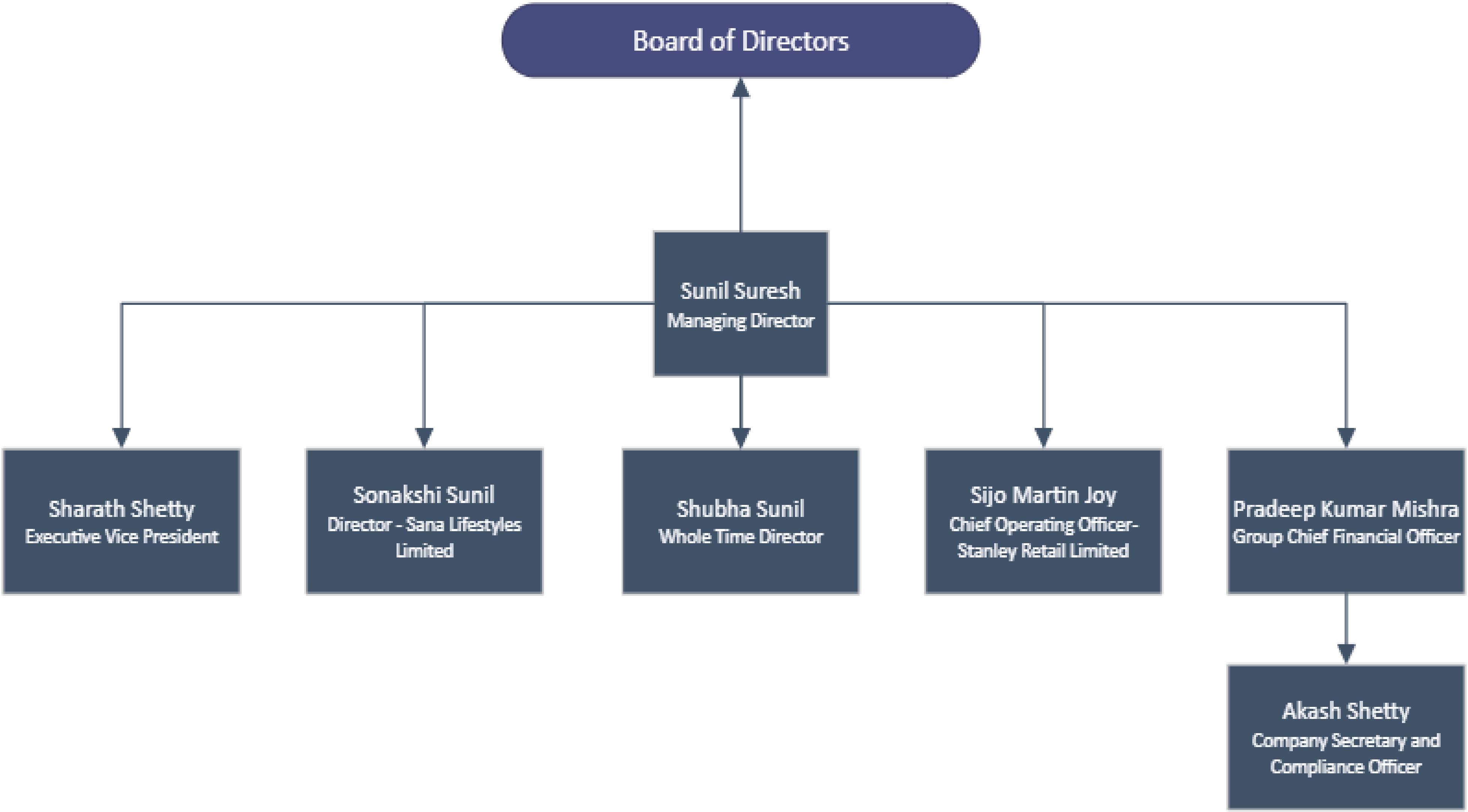
(z) Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

(aa) taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;

(bb) to withdraw the Draft Red Herring Prospectus or the Red Herring Prospectus or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

(cc) To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

Management Organisation Structure



Key Managerial Personnel

In addition to Sunil Suresh and Shubha Sunil, who are the Executive Directors of our Company, the details of the Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set forth below:

Pradeep Kumar Mishra is the Group Chief Financial Officer of our Company. He joined our Company on November 16, 2022. He has cleared the bachelor's of commerce examination held by Bangalore University and holds a post graduate programme in enterprise management from Indian Institute of Management, Bengaluru. He is a member of the Institute of Chartered Accountants of India. He has over 16 years of experience. Prior to joining our Company, he was associated with Duroflex Private Limited, SABMiller India Limited**,** United Breweries Limited, Wipro Limited and Lovelock Lewes. In Financial Year 2023, he received a remuneration of ₹ 2.76 million from our Company.

Akash Shetty is the Company Secretary and Compliance Officer of our Company. He joined our Company on April 11, 2022. He holds a bachelor's degree in commerce from Bangalore University. He is a member of the Institute of Company Secretaries of India. He holds a certificate of excellence issued by Imarticus Learning in collaboration with KPMG for completion of Financial Analysis Prodegree, certificate of completion from Registered Valuers Organisation (a wholly owned subsidiary of ICSI and registered with IBBI) for completion of valuation of securities or financial assets course and certificate of completion from Udemy for completion of Risk Based AML, KYC and Compliance online course. He has over 8 years of experience. Prior to joining our Company, he was associated with Shiva Analyticals (India) Private Limited, Powade and Associates, Xllent Corporate Services Private Limited, S N Kumar and Associates, Prozone Advisors Private Limited, Thomas Corporation (International) Private Limited and Ma Foi Management Consultants Limited. In Financial Year 2023, he received a remuneration of ₹ 1.12 million from our Company.

For brief biographies of Sunil Suresh and Shubha Sunil, see "– *Brief Biographies of Directors*" on page 217. For details of compensation paid to them during Financial Year 2023, see "*–Remuneration to our Executive Directors*" on page 219.

Senior Management Personnel of our Company

The details of our other Senior Management Personnel as of the date of this Draft Red Herring Prospectus are set forth below:

Sijo Martin Joy is the Chief Operating Officer of SRL. He joined SRL on November 27, 2019. He holds a bachelor's degree in technology from Mahatma Gandhi University, Kottayam, Kerala and a master's degree in business administration from University of Wales. He has over 13 years of experience. Prior to joining our Subsidiary, SRL, he was associated with Royaloak Incorporation Private Limited, FabIndia Overseas Private Limited and Sainsbury's Supermarket Limited. In Financial Year 2023, he received a remuneration of ₹ 5.38 million from SRL.

Sharath Kumar Shetty is the Executive Vice President – Group Manufacturing of our Company. He joined our Company on April 3, 2019. He holds a bachelor's degree in science from Birla Institute of Technology and Science, Pilani, Rajasthan and a master's degree in science from Birla Institute of Technology and Science, Pilani, Rajasthan. He holds a diploma in mechanical engineering from Department of Technical Education, Government of Karnataka. He has over 31 years of experience. Prior to joining our Company, he was associated with Electromags (a division of the Bombay Burmah Trading Corporation Limited), MHB Filter India Private Limited, Sundaram Auto Components Limited, Sangam Aluminium Limited and Streamline Gears Private Limited. In Financial Year 2023, he received a remuneration of ₹ 4.08 million from our Company.

Sonakshi Sunil is an Executive Director of one of our Subsidiaries, Sana Lifestyles. She joined Sana Lifestyles on December 20, 2021. She holds a bachelor's degree in arts from Nottingham Trent University. In Financial Year 2023, she received a remuneration of ₹ 0.24 million from SRL.

Status of Key Managerial Personnel and Senior Management Personnel

Except for Sonakshi Sunil and Sijo Martin Joy, who are employees of our Subsidiaries, Sana Lifestyles and SRL, respectively, all our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Other than as provided in "*Our Management – Interests of Directors*", our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding. For details, see *"- Shareholding of the Key Managerial Personnel and Senior Management Personnel*" on page 230.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Management Personnel

Except as disclosed in "- *Terms of appointment of our Directors*" on page 218, none of our Key Managerial Personnel or Senior Management Personnel are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed in "– *Shareholding of Directors in our Company*" on page 219, and "*Capital Structure –Share capital history of our Company*" on page 74, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

For details of ESOPs held by our Key Managerial Personnel and Senior Management Personnel, see "*Capital Structure – Employee Stock Options Scheme of our Company*" on page 84.

Changes in Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years

Details of the changes in our key managerial personnel and senior management personnel in the three immediately preceding years are set forth below:

Name	Date of change	Reason for change
Pradeep Kumar Mishra	November 16, 2022	Appointed as Group Chief Financial Officer
Rajagopal Sethuraman	March 31, 2021	Resigned as group chief financial officer
Akash Shetty	April 11, 2022	Appointed as Company Secretary
Jitesh Bansal	May 31, 2021	Resigned as company secretary due to personal reasons

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Management Personnel which accrued in Fiscal 2023.

Payment or benefit to officers of our Company

Except as disclosed under "- *Service contracts with Directors*" on page 219 and statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management Personnel is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except for the remuneration for services rendered as Directors, officers or employees of our Company and as disclosed in " – *Interests of Directors*" on page 219 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amounts or benefits in kind have been paid or given, or are intended to be paid or given, to any of our Company's officers including the Key Managerial Personnel and Senior Management Personnel in the two years preceding the date of this Draft Red Herring Prospectus.

Employee stock option plan

For details of ESOP 2022, see "*Capital Structure*" on page 74.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Sunil Suresh and Shubha Sunil.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 34,751,080 Equity Shares in our Company, representing 67.35% of the issued, subscribed and paid-up Equity Share capital of our Company, on a fully diluted basis. For further details, see "*Capital Structure - Shareholding of our Promoters and Promoter Group*" on page 81.

A. <u>INDIVIDUAL PROMOTER</u>

Details of our Promoters

Sunil Suresh (DIN: 01421517), aged 57 years, is the Managing Director of our Company.

For a complete profile of Sunil Suresh, along with details of his date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and other financial activities, see "*Our Management*" on page 216, respectively.

His PAN is AKRPS0614D.

Shubha Sunil (DIN: 01363687), aged 48 years, is the Whole Time Director of our Company.

For a complete profile of Shubha Sunil, along with details of her date of birth, residential address, educational qualifications, professional experience and posts held in the past, directorships held, other ventures, special achievements, business and other financial activities, see "*Our Management*" on page 216, respectively.

Her PAN is AKRPS0613E.

Our Company confirms that the PAN, bank account number, passport number and driving license number of each of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

Our Promoters are the original Promoters of our Company. There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that (i) they have promoted our Company; and (ii) to the extent of their shareholding in our Company, directly and indirectly; including the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", beginning on page 74.

Our Promoters, who are also the Executive Directors of our Company, may be deemed to be interested to the extent of their remuneration and reimbursement of expenses, payable to them, if any in their capacity as Directors. Our Promoters are not entitled to remuneration from our Subsidiaries as on the date of this Draft Red Herring Prospectus. For further details, see "*Our Management – Remuneration to our Executive Directors*", "*Our Management – Payment or benefit to officers of our Company*", "*Our Management – Remuneration paid to our Directors by our Subsidiaries" and "Our Management – Interests of Directors*" on pages 219, 230, 219 and 219, respectively. No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

One of our Promoters, Sunil Suresh, has entered into a Trademark and Copyright Assignment Deed-I, Trademark Assignment Deed and Copyright Assignment Deed with our Company, pursuant to which he irrevocably assigned his rights, including all proprietary rights, interest and title associated with certain trademarks and copyrights related to the business, together with the goodwill of the business accrued and all intellectual property rights accrued by virtue of use, in India and globally, for a perpetual term in favour of the Company, for a fixed consideration, and the consideration pursuant to Trademark Assignment Deed and Copyright Assignment Deed shall be paid in staggered manner. For details, see "*History and Certain Corporate*

Matters – Other material agreements" on page 213.

Except as disclosed above and as disclosed in *"Our Management"* and "*Other Financial Information - Related Party Transactions*" on pages 216 and 315, respectively, no amount or benefit has been paid or given by our Company or its Subsidiaries to one of our Promoters, Sunil Suresh and Shubha Sunil, respectively, or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group. Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. Except for M/s Sass Kitchens, there are no other companies, firm, trusts or other ventures in which our Promoters are involved that are in the same line of business or activity as our Company and/or its subsidiaries.

Other ventures of our Promoters

Other than as disclosed in "-*Entities forming part of our Promoter Group*" and at "*Our Management"* on pages 232 and 216, our promoters are not involved in any other ventures.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by Reserve Bank of India. Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India. Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons forming part of our Promoter Group

S. No.	Name of the Promoter	Name	Relationship
1.	Sunil Suresh	Shubha Sunil	Wife
		Lakshmi Suresh	Mother
		Sonakshi Sunil	Daughter
		Saahas Sunil	Son
		Sanjay Suresh	Brother
2.	Shubha Sunil	Sunil Suresh	Husband
		Sonakshi Sunil	Daughter
		Saahas Sunil	Son
		Suresh S	Brother
		Sharada Ramanna	Sister
		Sapna T Seneviratne	Sister

Entities forming part of our Promoter Group

S. No.	Name of the Entity
1.	M/s Stanley Estates and Leisure
2.	M/s Sass Kitchens
3.	S-Square Leisure (Pvt) Limited
4.	M/s Fusion Mont Foods & Beverages

OUR GROUP COMPANIES

Pursuant to a resolution dated August 31, 2023, our Board formulated a policy for identification of group companies and has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies (other than our Promoters) with which there were related party transactions as per the Restated Consolidated Financial Information, read with "*Other Financial Information – Related Party Transactions*" on page 315, during any of the last three Fiscals, in respect of which, the Restated Consolidated Financial Information is included; or (ii) the companies considered material by our Board and to be disclosed as group companies, i.e. companies forming part of the Promoter Group with whom our Company has entered into one or more transactions during Fiscal 2023, if any, the monetary value of which individually or cumulatively exceeds 10% of the total revenue of our Company for Fiscal 2023 as per the Restated Consolidated Financial Information. Accordingly, in terms of the policy adopted by our Board for identification of group companies, our Board has identified Design Eight Private Limited as the Group Company of our Company.

Details of our Group Company

1. Design Eight Private Limited

The registered office of Design Eight Private Limited is situated at 203, Hall Mark Hill View Apartment, Plot No. 66 & 68, Journalist Colony, Hyderabad, Telangana 500 033. In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited standalone financial statements of Design Eight Private Limited for Fiscal 2020, Fiscal 2021 and Fiscal 2022 are available on the website of our Company at https://www.stanleylifestyles.com/investors/financial-information-group-companies.php. It is clarified that such details available in relation to Design Eight Private Limited on its website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information would be doing so at their own risk. The link above has been provided solely to comply with the requirements of the SEBI ICDR Regulations.

Nature and extent of interest of our Group Company

a. **In the promotion of our Company**
Our Group Company does not have any interest in the promotion of our Company.

b. **In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company**
Our Group Company is not interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

c. **In transactions for acquisition of land, construction of building and supply of machinery**
Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common pursuits between our Group Company and our Company

Our Group Company, Design Eight Private Limited, is in the same line of business as one of our Company and our Subsidiaries, namely SRL, Sana Lifestyles, SDPL, ASPL and SSPL and is currently engaged, *inter alia,* in the business of retail furniture. There are common pursuits to that extent between our Group Company and Company and certain Subsidiaries. We do not perceive any conflict of interest with our Group Company, and we shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Related business transactions with the Group Company and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Restated Consolidated Financial Information –Note 38: - Details of Related Parties*" on page 294, there are no other related business transactions with our Group Company.

Business interest of our Group Company in our Company

Except for the transactions disclosed in the section "*Restated Consolidated Financial Information –Note 38: - Details of Related Parties*" on page 294, Design Eight Private Limited has no business interest in our Company.

Litigation

Our Group Company is not party to any pending litigations which will have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013.

The dividend policy of our Company was adopted and approved by our Board in its meeting held on August 31, 2023 ("**Dividend Distribution Policy**"). In terms of the Dividend Distribution Policy, the declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors which affects the declaration of dividend by our Company include profitability of our Company, capital expenditure plans of our Company including organic or inorganic growth opportunities, financial requirements for business expansion and/or diversification, acquisition of new businesses, liquidity position including present and expected obligations, cost of borrowings and financial commitment with respect to outstanding borrowings and interest thereon. The external factors which affect the declaration of dividend by our Company include status of economy and capital markets, applicable taxes including dividend distribution tax, introduction of new or changes in existing tax or regulatory requirements. Accordingly, our Company may not distribute dividend when there is absence or inadequacy of profits. Our Company may also, from time to time, pay interim dividends. The declaration and payment of dividends if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association of our Company, Companies Act, including the rules framed thereunder and other applicable law.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements that our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see "*Financial Indebtedness*" and "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*." on pages 316 and 43, respectively.

The details of the dividend paid by our Company on the Equity Shares during the last three Financial Years and from April 1, 2023 till the date of this Draft Red Herring Prospectus are given below:

Particulars	**April 1, 2023 up till the date of this Draft Red Herring Prospectus**	**As at and for the Financial Year ended March 31, 2023**	**As at and for the Financial Year ended March 31, 2022**	**As at and for the Financial Year ended March 31, 2021**
Number of Equity Shares	14,742,048	7,371,024	7,371,024	7,371,024
Face value per Equity Share (in ₹)*	2.00	10.00	10.00	10.00
Interim Dividend per Equity Share (in ₹)	Nil	18.99	5.33	Nil
Rate of Interim Dividend (%)	NA	189.93%	53.33%	NA
Aggregate Interim Dividend (in ₹ million)	NA	140.00	39.31	NA
Final Dividend per Equity Share (in ₹)	Nil	Nil	4.07	1.45
Rate of Final Dividend (%)	NA	NA	40.70%	14.50%
Aggregate Final Interim Dividend (in ₹ million)	NA	NA	30.00	10.69
Dividend Distribution Tax (%)	NA	NA	NA	NA
Dividend Distribution Tax (in ₹ million)	NA	NA	NA	NA
Mode of Payment of Dividend	NA	Electronic	Electronic	Electronic

As certified by N B T and Co, Chartered Accountants pursuant to certificate dated September 4, 2023.

** Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.*

The rate of dividend have been computed as follows:

- *Rate of Interim Dividend (%) = Total interim dividends paid / Paid up value of shares outstanding *100.*
- *Rate of Final Dividend (%) = Total final dividends paid / Paid up value of shares outstanding *100.*
- *Dividend per share = total dividends paid / shares outstanding.*

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Deloitte Haskins & Sells LLP

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

Tel: +91 80 6188 6000
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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Stanley Lifestyles Limited

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 6 below), the attached Restated Consolidated Financial Information of Stanley Lifestyles Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries are collectively referred to as the "Group") which comprises of the Restated Consolidated Statement of Assets and Liabilities as at March 31 2023, 2022 and 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended March 31 2023, 2022 and 2021, and a summary of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on August 31, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note") read with SEBI Communication as mentioned in Note 2.1 to the Restated Consolidated Financial Information, as applicable.

2. The Company's Management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (the "SEBI"), BSE Limited and National Stock Exchange of India Limited ("NSE") (collectively, with BSE Limited, the "Stock Exchanges") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of these Restated Consolidated Financial Information by the management of the Company, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the Company/Group complies with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

3. We have examined these Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 03, 2023 in connection with the proposed IPO;

   b) The Guidance Note read with SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the Management from:

   (i) the audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 along with comparative audited consolidated Ind AS financial statements for the year ended March 31, 2022 (the "Consolidated Ind AS Financial Statements") prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 22, 2023. The comparative information as at and for the year ended March 31, 2022 included in such Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated Indian GAAP financial statements of the Group as at and for the year ended March 31, 2022, prepared in accordance with the accounting standards notified under the Section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on September 06, 2022.

   (ii) the audited special purpose consolidated Ind AS financial statements as at and for the year ended March 31, 2021 prepared on the basis as described in Note 2.1 to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on August 31, 2023.

5. For the purpose of our examination, we have relied on reports issued by us dated August 22, 2023 and August 31, 2023 in relation to the Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2023 and special purpose consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2021, respectively as referred in Paragraph 4 above which includes the following explanatory paragraphs (also refer Note 2.1 of the Restated Consolidated Financial Information).

   As at and for the year ended March 31, 2021

Emphasis of matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.
Our opinion is not modified in respect of this matter.

6. As indicated in our audit reports referred above,

(i) we did not audit the financial statements of certain subsidiaries for the years March 31, 2023, 2022 and 2021 whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's Management and our opinion on the consolidated Ind AS financial statements/special purpose consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in Million)

Particulars	**As at/ for the year ended March 31, 2023**	**As at/ for the year ended March 31, 2022**	**As at/ for the year ended March 31, 2021**
Total assets	335.33	202.34	79.24
Total revenue	273.20	186.63	148.13
Net cash inflows/ (outflows)	(4.51)	6.52	0.83

Our opinion on the consolidated financial statements is not modified in respect of this matter.

The other auditor of the subsidiary, as mentioned above, has examined the restated financial information of the subsidiary, and has confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable.

7. Based on our examination and according to the information and explanations given to us and also as per reliance placed on the examination report submitted by other auditors, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2023;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There is an item relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with SEBI Communication, as applicable

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited consolidated Ind AS

financial statements/ audited consolidated Indian GAAP financial statements mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Sandeep Kukreja
Partner
(Membership Number: 220411)
UDIN: 23220411BGQBRJ4900

Bengaluru, August 31, 2023
SK/TG/2023

STANLEY LIFESTYLES LIMITED
CIN: U19116KA2007PLC044090
Restated Consolidated Statement of Assets and Liabilities
(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Assets				
Non-current assets				
Property, plant and equipment	4(a)	705.29	512.60	366.30
Capital work-in-progress	4(d)	11.60	7.90	-
Goodwill on consolidation	4(e)	37.27	27.05	25.57
Right of use assets	5	1,245.12	1,106.82	774.70
Intangible assets	4(b)	28.57	8.03	8.70
Intangible assets under development	4(c)	11.23	-	-
Financial assets				
(i) Other financial assets	6	115.71	108.92	87.97
Deferred tax assets (net)	7	106.63	81.28	64.13
Current tax assets (net)	13	26.34	62.91	35.19
Other non-current assets	8	24.49	7.68	7.16
Total non-current assets		**2,312.25**	**1,923.19**	**1,369.72**
Current assets				
Inventories	9	1,213.87	1,181.70	952.91
Financial assets				
(i) Trade receivables	10	165.40	189.48	139.52
(ii) Cash and cash equivalents	11	96.68	102.57	121.21
(iii) Bank balances other than (ii) above	12	637.32	643.70	743.68
(iv) Other financial assets	6	45.12	33.48	31.84
Other current assets	8	111.22	147.33	106.28
Total current assets		**2,269.61**	**2,298.26**	**2,095.44**
Total assets		**4,581.86**	**4,221.45**	**3,465.16**
Equity and liabilities				
Equity				
Equity share capital	14	73.71	73.71	73.71
Other equity	15	2,091.31	1,923.84	1,755.61
Total equity attributable to equity holders		**2,165.02**	**1,997.55**	**1,829.32**
Non controlling interests	15	72.97	58.47	46.62
Total equity		**2,237.99**	**2,056.02**	**1,875.94**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	16	2.29	5.58	1.12
(ii) Lease liabilities	35	1,251.06	1,090.16	784.61
(iii) Asset retirement obligations	4(f)	38.69	30.73	21.07
Provisions	17	10.57	10.15	13.97
Total non-current liabilities		**1,302.61**	**1,136.62**	**820.77**
Current liabilities				
Financial liabilities				
(i) Borrowings	16	91.41	55.28	1.41
(ii) Lease liabilities	35	167.93	146.07	88.06
(iii) Trade payables				
a) Total outstanding dues to micro and small enterprises	18	79.01	46.43	5.82
b) Total outstanding of creditors other than micro and small enterprises	18	358.94	439.07	417.79
(iv) Other financial liabilities	19	0.35	0.35	0.45
Other current liabilities	20	297.42	270.45	208.69
Provisions	17	27.38	20.82	15.21
Current tax liabilities (net)	21	18.82	50.34	31.02
Total current liabilities		**1,041.26**	**1,028.81**	**768.45**
Total liabilities		**2,343.87**	**2,165.43**	**1,589.22**
Total equity and liabilities		**4,581.86**	**4,221.45**	**3,465.16**

The accompanying notes 1 to 56 are integral part of these Restated Consolidated Financial Information.

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

Sandeep Kukreja
Partner
Membership No. 220411

Place: Bengaluru
Date: 31 August 2023

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh	**Shubha Sunil**	**Pradeep Mishra**	**Akash Shetty**
Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN 01421517	DIN 01363687		FCS No. 11314

Place: Bengaluru
Date: 31 August 2023

STANLEY LIFESTYLES LIMITED
CIN: U19116KA2007PLC044090
Restated Consolidated Statement of Profit and Loss account
(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	22	4,189.98	2,922.04	1,957.80
II Other income	23	66.24	55.51	59.31
III Total revenues		**4,256.22**	**2,977.55**	**2,017.11**
IV Expenses				
a) Cost of materials consumed	24	2,042.55	1,456.10	902.00
b) Purchase of stock-in-trade	25	108.14	201.30	52.90
c) (Increase)/decrease in inventories	26	(107.82)	(216.88)	20.50
d) Employee benefits expenses	27	494.57	337.37	270.36
e) Finance costs	28	146.91	108.78	87.72
f) Depreciation and amortisation	29	282.50	217.45	207.14
g) Other expenses	30	825.37	554.07	414.29
V Total expenses		**3,792.22**	**2,658.19**	**1,954.91**
Restated profit before tax (III - IV)		**464.00**	**319.36**	**62.20**
VI Tax expenses				
a) Current tax	31	143.98	103.54	48.60
b) Deferred tax	31	(25.91)	(18.77)	(34.00)
c) Short/(excess) provision of tax relating to earlier years	31	(3.84)	2.40	28.37
Total Tax expenses		**114.23**	**87.17**	**42.97**
VII Restated profit for the year		**349.77**	**232.19**	**19.23**
Profit attributable to non controlling interest	15	21.02	18.70	8.92
Profit attributable to owners		**328.75**	**213.49**	**10.31**
VIII Other comprehensive income (OCI)				
Other comprehensive income not to be reclassified to restated profit or loss in subsequent periods:				
Re-measurement gains/ (losses) on defined benefit plans	36	2.23	6.43	5.71
Income tax effect on above	31	(0.56)	(1.62)	(1.44)
Other comprehensive income for the year, net of tax		**1.67**	**4.81**	**4.27**
Restated other comprehensive income/(losses) attributable to non controlling interest		(0.11)	0.07	0.13
Restated other comprehensive income attributable to owners		1.78	4.74	4.14
IX Restated total comprehensive income (net of tax) for the year		**351.44**	**237.00**	**23.50**
Restated total comprehensive income/(losses) attributable to non controlling interest		20.91	18.77	9.05
Restated total comprehensive income/(losses) attributable to owners		330.53	218.23	14.45
Restated earnings per equity share (EPS)				
- Basic (in Rs) (face value of share Rs. 2/-)	43	6.37	4.14	0.20
- Diluted (in Rs) (face value of share Rs. 2/-)	43	6.37	4.14	0.20

The accompanying notes 1 to 56 are integral part of these Restated Consolidated Financial Information.

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

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sandeep Kukreja
Partner
Membership No. 220411

Place: Bengaluru
Date: 31 August 2023

Sunil Suresh	**Shubha Sunil**	**Pradeep Mishra**	**Akash Shetty**
Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN 01421517	DIN 01363687		FCS No. 11314

Place: Bengaluru
Date: 31 August 2023

STANLEY LIFESTYLES LIMITED
CIN: U19116KA2007PLC044090
Restated Consolidated Statement of Cash Flows
(All the amounts are in Indian Rupees Millions, unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flows from operating activities:**				
	Profit before tax for the year		464.00	319.36	62.20
	Adjustments for:				
	Depreciation and amortisation expenses	29	282.50	217.45	207.14
	(Gain)/ loss on sale of property, plant and equipment (net)	30 & 23	(2.93)	2.34	34.43
	Bad debts	30	1.01	1.98	2.69
	Provision for credit allowances	30	6.78	1.90	15.38
	Finance costs	28	146.91	108.78	87.72
	Unrealised foreign exchange (gain)/ loss (net)		(0.07)	(10.65)	(3.20)
	Interest income	23	(35.72)	(40.53)	(46.09)
	Provisions for warranty	31	2.58	2.22	0.03
	Liabilities no longer required written back	23	(15.96)	(3.96)	(4.99)
	Share based payment expense	27	6.94	-	-
	Cash flows from operating activities before working capital changes		**856.04**	**598.89**	**355.31**
	Change in assets and liabilities				
	Adjustments for (increase)/ decrease in assets:				
	Financial assets		(30.97)	(14.15)	11.94
	Inventories		(32.17)	(228.80)	(87.35)
	Trade receivables		16.29	(53.84)	(38.16)
	Other assets		19.31	(41.57)	(30.45)
	Adjustments for increase/ (decrease) in liabilities:				
	Financial liabilities		-	(0.10)	(18.79)
	Trade payables		(34.92)	78.95	134.63
	Current provisions		(4.40)	0.43	0.76
	Other current liabilities		25.62	59.76	43.44
	Cash generated from operations		**814.80**	**399.57**	**371.33**
	Income taxes paid (net)		(135.09)	(114.34)	(41.53)
	Net cash flow from operating activities		**679.71**	**285.23**	**329.80**
B	**Cash flows from investing activities**				
	Purchase of property, plant and equipment, intangible assets (including capital work-in-progress, capital advances and capital creditors)		(303.13)	(221.30)	(105.05)
	Proceeds from sale of property, plant and equipment		4.45	0.86	2.78
	Proceeds from bank deposits		6.38	99.98	37.31
	Investment in intangible assets under development		(11.23)	-	-
	Investment in Goodwill		(10.22)	(1.48)	-
	Interest received		48.26	10.65	32.69
	Advance received		(2.00)	2.00	-
	Changes in Non Controlling Interest		(6.41)	(6.92)	0.58
	Net cash used in investing activities		**(273.90)**	**(116.21)**	**(31.69)**
C	**Cash flows from financing activities**				
	Proceeds from short term borrowings (net) (refer note (a) below)		47.85	-	-
	Repayment of borrowings (refer note (a) below)		(15.01)	58.33	(70.28)
	Interest paid on borrowings (refer note (a) below)		(19.33)	(12.80)	(6.10)
	Processing fees for working capital borrowings (refer note (a) below)		(1.25)	-	-
	Dividend paid (refer note (a) below)		(170.00)	(50.00)	-
	Interest on lease rentals (refer note (a) below)	35	(122.32)	(93.29)	(78.81)
	Payment of lease rentals (refer note(a) below)	35	(131.64)	(89.90)	(83.56)
	Net cash used in financing activities		**(411.70)**	**(187.66)**	**(238.75)**
	Net increase /(decrease) in cash and cash equivalents		(5.89)	(18.64)	59.36
	Cash and cash equivalents at the beginning of the year	11	102.57	121.21	61.85
	Cash and cash equivalents at the end of the year		**96.68**	**102.57**	**121.21**
	Details of Cash and cash equivalents				
	Balances with banks				
	(i) In current accounts	11	96.03	102.05	116.54
	Cash on hand and cheque in hand	11	0.65	0.52	4.67
	Cash and cash equivalents at the end of the year		**96.68**	**102.57**	**121.21**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Note:

a. Reconciliation of movements of cash flow from financing activities

As at 31 March 2023

Particulars	31 March 2022	Non-cash changes		Cash flows	31 March 2023
		Finance cost accrued during the year	Additions (Net)		
Borrowings	60.86	-	-	32.84	93.70
Dividend	-	-	170.00	(170.00)	-
Lease liabilities	1,236.23	122.32	314.40	(253.96)	1,418.99
Processing fees for working capital borrowings	-	1.25	-	(1.25)	-
Interest on overdraft facility	-	19.33	-	(19.33)	-
Total	**1,297.09**	**142.90**	**484.40**	**(411.70)**	**1,512.69**

As at 31 March 2022

Particulars	31 March 2021	Non-cash changes		Cash flows	31 March 2022
		Finance cost accrued during the year	Additions (Net)		
Borrowings	2.53	-	-	58.33	60.86
Dividend	-	-	50.00	(50.00)	-
Lease liabilities	872.67	93.29	453.46	(183.19)	1,236.23
Interest on overdraft facility	-	12.80	-	(12.80)	-
Total	**875.20**	**106.09**	**503.46**	**(187.66)**	**1,297.09**

As at 31 March 2021

Particulars	1 April 2020	Non-cash changes		Cash flows	31 March 2021
		Finance cost accrued during the year	Additions (Net)		
Borrowings	72.81	-	-	(70.28)	2.53
Lease liabilities	854.22	78.81	102.01	(162.37)	872.67
Interest on borrowings	-	6.10	-	(6.10)	-
Total	**927.03**	**84.91**	**102.01**	**(238.75)**	**875.20**

The accompanying notes 1 to 56 are integral part of these Restated Consolidated Financial Information.

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

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sandeep Kukreja
Partner
Membership No. 220411

Place: Bengaluru
Date: 31 August 2023

Sunil Suresh
Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Pradeep Mishra
Chief Financial Officer

Akash Shetty
Company Secretary
FCS No. 11314

Place: Bengaluru
Date: 31 August 2023

STANLEY LIFESTYLES LIMITED
CIN: U19116KA2007PLC044090
Restated Consolidated Statement of Changes in Equity
(All the amounts are in Indian Rupees Millions, unless otherwise stated)

A Equity share capital

As at 31 March 2023

Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
73.71	-	73.71

As at 31 March 2022

Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
73.71	-	73.71

As at 31 March 2021

Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
73.71	-	73.71

B Other Equity

Particulars	Attributable to equity share holders of the Parent					Non controlling interest
	Reserve and surplus			Items of other comprehensive income (OCI)	Total other equity attributable to equity holders of the Parent	
	Securities premium reserve	Retained earnings	Employee stock option reserve	Remeasurement of defined benefit plans		
As at 31 March 2020	**1,162.73**	**577.14**	**-**	**1.87**	**1,741.74**	**36.99**
Profit for the year	-	10.31	-	-	10.31	8.92
Dilution of non controlling interest.	-	(0.58)	-	-	(0.58)	0.58
Re-measurement Gain/Loss defined benefit plans (net of tax)	-	-	-	4.14	4.14	0.13
Total adjustments	**-**	**9.73**	-	**4.14**	**13.87**	**9.63**
As at 31 March 2021	**1,162.73**	**586.87**	**-**	**6.01**	**1,755.61**	**46.62**
Profit for the year	-	213.49	-	-	213.49	18.70
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	(6.92)
Dividend paid	-	(50.00)	-	-	(50.00)	-
Re-measurement Gain/Loss defined benefit plans (net of tax)	-	-	-	4.74	4.74	0.07
Total adjustments	**-**	**163.49**	**-**	**4.74**	**168.23**	**11.85**
As at 31 March 2022	**1,162.73**	**750.36**	**-**	**10.75**	**1,923.84**	**58.47**

STANLEY LIFESTYLES LIMITED
CIN: U19116KA2007PLC044090
Restated Consolidated Statement of Changes in Equity
(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Attributable to equity share holders of the Parent					Non controlling interest
	Reserve and surplus			Items of other comprehensive income (OCI)	Total other equity attributable to equity holders of the Parent	
	Securities premium reserve	Retained earnings	Employee stock option reserve	Remeasurement of defined benefit plans		
As at 31 March 2022	**1,162.73**	**750.36**	**-**	**10.75**	**1,923.84**	**58.47**
Add / (Less):						
Profit for the year	-	328.75	-	-	328.75	21.02
Dividend paid	-	(170.00)	-	-	(170.00)	-
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	(6.41)
Share based payment expense	-	-	6.94	-	6.94	-
Re-measurement Gain/Loss defined benefit plans (net of tax)	-	-	-	1.78	1.78	(0.11)
Total adjustments	**-**	**158.75**	**6.94**	**1.78**	**167.47**	**14.50**
As at 31 March 2023	**1,162.73**	**909.11**	**6.94**	**12.53**	**2,091.31**	**72.97**

The accompanying notes 1 to 56 are integral part of these Restated Consolidated Financial Information.

In terms of our report attached

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

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sandeep Kukreja
Partner
Membership No. 220411

Sunil Suresh
Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Pradeep Mishra
Chief Financial Officer

Akash Shetty
Company Secretary
FCS No. 11314

Place: Bengaluru
Date: 31 August 2023

Place: Bengaluru
Date: 31 August 2023

1 General Information / Corporate information

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

The Company is incorporated and domiciled in India under the provisions of the Companies Act, applicable in India. The registered office of the company is located at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore,Karnataka-560100, India.

The Group's restated consolidated financial information for the years ended 31 March, 2023, 31 March, 2022, and 31 March, 2021 were authorized by Board of Directors.

2 Basis of preparation and presentation of restated consolidated financial information

2.1 Significant accounting policies adopted by the Parent are as under:

(a) Basis of preparation and statement of compliance

The Restated Consolidated Financial Information of the Group comprise of the restated consolidated statement of assets and liabilities as at 31 March, 2023, 2022 and 2021, the restated consolidated statement of profit and loss (including Other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the years ended 31 March, 2023, 2022 and 2021, the significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") to be filed with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through Lead Managers (the "SEBI Communication"), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, as amended (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from 01 April 2022 . Accordingly, the transition date for adoption of Ind AS is 01 April 2021.

These Restated Consolidated Financial Information have been compiled by the Management from:
a) the audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March, 2023 along with comparative audited consolidated Ind AS financial statements for the year ended 31 March, 2022 (the "Statutory Consolidated Ind AS Financial Statements") prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 22 August 2023. The comparative information as at and for the year ended 31 March, 2022 included in such Statutory Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated Indian GAAP financial statements of the Group as at and for the year ended 31 March, 2022, prepared in accordance with the accounting standards notified under the Section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 6 September 2022.

b) the Company has prepared special purpose consolidated Ind AS financial statements as at and for the year ended 31 March, 2021 (the "Special Purpose Consolidated Ind AS Financial Statements") as per following basis, which have been approved by the Board of Directors at their meeting held on 31 August 2023.

In pursuance to the SEBI Communication, for the purpose of the Special Purpose Consolidated Ind AS Financial Statements for the year ended 31 March 2021 of the Group, the transition date is considered as 01 April 2020 which is different from the transition date adopted by the Group at the time of first time transition to Ind AS (i.e. 01 April 2021) for the purpose of preparation of the Statutory Consolidated Ind AS Financial Statements as required under the Act. Accordingly, the Group has applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on 01 April 2020 for the Special Purpose Consolidated Ind AS Financial Statements, as initially adopted on transition date i.e. 01 April 2021.

As such, the Special Purpose Consolidated Ind AS Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and described in subsequent paragraphs.

The Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in offer documents in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of the Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under Section 129 of the Act.

Further, since the statutory date of transition to Ind AS is 01 April 2021, and that the Special Purpose Consolidated Ind AS Financial Statements have been prepared considering a transition date of 01 April 2020, the closing balances of items included in the Special Purpose Balance Sheet as at 31 March 2021 may be different from the balances considered on the statutory date of transition to Ind AS on 01 April 2021, due to such early application of Ind AS principles with effect from 01 April 2020 as compared to the date of statutory transition. Refer note 14 for reconciliation of equity and total comprehensive income as per the Special Purpose Consolidated Ind AS Financial Statements and the Statutory Indian GAAP Financial Statements as at and for the year ended 31 March 2021 and equity and total comprehensive income as per the Restated Consolidated Financial Information.

The above Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments as mentioned above to the audited consolidated Indian GAAP financial statements of the Group as at and for the year ended 31 March 2021 prepared in accordance with Indian GAAP (the "Statutory Indian GAAP Financial Statements") which was approved by the Board of directors at their meeting held on 31 August 2023.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of the Ind AS consolidated financial statements as at and for the year ended 31 March 2023.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the Consolidated Ind AS financial statements, the Special Purpose Consolidated Ind AS Financial Statement and the Statutory Indian GAAP Financial Statements.

The Restated Consolidated Financial Information:
(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022 and 2021, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2023, as applicable

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports;

These Restated Consolidated Financial Information were approved in accordance with a resolution of the directors on 31 August 2023.

The Restated Consolidated Financial Information are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, unless otherwise stated.

Principles of Consolidation

The Restated Consolidated Financial Information comprise the financial statements of the Parent and its subsidiaries for the year ended 31 March 2023, 31 March 2022 and 31 March 2021.
The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power is demonstrated through existing rights that give the current ability to direct the relevant activities of the entity that significantly affect the entity's returns.
Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
• Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
• Exposure, or rights, to variable returns from its involvement with the investee, and
• The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.
Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• The contractual arrangement with the other vote holders of the investee
• Rights arising from other contractual arrangements
• The Group's voting rights and potential voting rights
• The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the restated consolidated financial information from the date the Group gains control until the date the Group ceases to control the subsidiary.

The restated consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial information in preparing the restated consolidated financial information to ensure conformity with the group's accounting policies.

The restated consolidated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company for the years ended 31 March, 2023 31 March 2022 and 31 March 2021.

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Restated Consolidated Statement of Profit and Loss account and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable Ind AS's). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 when applicable, or the cost of initial recognition of an investment in an associate or a joint venture.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Sl. No.	Name of the entity	Relationship	Ownership at 31 March 2023 held by	% ownership held either directly or through subsidiaries		
				As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
1	Stanley Retail Limited ("SRL")	Subsidiary	SLL	100.00%	98.67%	98.41%
2	Stanley OEM Sofas Limited ("SOSL")	Subsidiary	SLL	100.00%	100.00%	100.00%
3	ABS Seating Private Limited ("ABS")	Subsidiary	SLL	67.00%	67.00%	67.00%
4	Scheek Home Interiors Limited ("Scheek")	Subsidiary	SRL	100.00%	98.67%	98.41%
5	Shrasta Decor Private Limited ("Shrasta")	Subsidiary	SRL	55.95%	55.21%	55.06%
6	Sana Lifestyles Limited ("Sana")	Subsidiary	SRL	100.00%	98.67%	61.85%
7	Staras Seating Private Limited ("Staras")	Subsidiary	SRL	100.00%	98.67%	98.41%

(b) Basis of measurement

The Restated Consolidated Financial Information have been prepared on a historical cost convention on accrual basis, except for items that have been measured at fair value as required by relevant Ind AS.

i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
ii) Embedded derivatives; and
iii) Asset classified as held for sale.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of Consolidations financial information in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Restated Consolidated Statement of Assets and Liabilities date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Restated Consolidated Statement of Assets and Liabilities date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

a) 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.
b) Subsequent expenditures related to an item of tangible property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
c) The cost of property, plant and equipment not ready for their intended use at the Restated Consolidated Statement of Assets and Liabilities date are disclosed as capital work in progress.
d) Advances paid towards the acquisition of property, plant and equipment, outstanding at each Restated Consolidated Statement of Assets and Liabilities date are disclosed as 'capital advances' under 'other current assets'.
e) Assets received on amalgamation are recorded at its fair value.
f) Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of it’s corresponding asset, the component is depreciated over it’s shorter life.

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of fixed assets as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Assets individually costing up to Rupees five thousand are not capitalized.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.) which is the Group functional and presentation currency.

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

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Restated Consolidated Statement of Profit and Loss account.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Restated Consolidated Statement of Profit and Loss account.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

2.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Restated Consolidated Statement of Assets and Liabilities date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities ;

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable ;

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.5 Revenue Recognition

Revenue is measured at amount of transaction price (net of variable consideration) received or receivable when control of the goods is transferred to the customer and there are no unfulfilled performance obligations as per the contract with the customers. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue excludes taxes collected from customer which have to be subsequently remitted to the Government authorities.

The Group recognises revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

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.

The Group presents revenues gross of indirect taxes in its Restated Consolidated Statement of Profit and Loss account.

Other Income
Interest Income is recognised on basis of effective interest method as set out in Ind AS 109 , Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.
Interest income is recognised using the time-proportion method, based on underlying interest rates.
When calculating EIR, ECL is not considered. Performance obligation- satisfied at a point in time.

2.6 Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current tax relating to items recognised outside the restated consolidated statements of Profit and Loss is recognised outside Restated Consolidated Statement of Profit and Loss account (either in OCI or Other Equity.)

(b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Restated Consolidated Statement of Profit and Loss account. The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Restated Consolidated Statement of Assets and Liabilities date and written down to the extent the aforesaid convincing evidence no longer exists.

(c) Deferred tax

Deferred income tax is provided in full, using the Restated Consolidated Statement of Assets and Liabilities approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Restated Consolidated Statement of Profit and Loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

As a lessee

The Group lease asset classes primarily consists of leases for buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

As a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the companies net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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 Restated Consolidated Statement of Profit and Loss account on a straight-line basis over the lease term.

2.8 Inventories

Inventories are valued at lower of cost (weighted average method) and net realisable value after providing for obsolescence and other losses, where considered necessary. For traded goods purchase costs include cost of purchase and other costs bringing inventory to their location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of stock in trade, work-in-progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.

In determining the cost of raw materials, components, stores, spares and loose tools, the Moving average method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Usage is FIFO. For smaller entities, value is purchases cost itself.
Work-in-progress is valued at a sum of the raw material cost and a percentage for overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

2.9 Impairment of non-financial assets

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in the Restated Consolidated Statement of Profit and Loss account and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Restated Consolidated Statement of Profit and Loss account.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its net selling price. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

In determining net selling price, recent market transactions are taken into account, if available no such transactions can be identified, an appropriate valuation model is used.

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Restated Consolidated Statement of Assets and Liabilities date.

These are reviewed at each Restated Consolidated Statement of Assets and Liabilities date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Restated Consolidated Statement of Profit and Loss account as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

2.11 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets up to the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Restated Consolidated Statement of Profit and Loss account in the year in which they are incurred.

2.12 Cash and cash equivalents

Cash and cash equivalent in the Restated Consolidated Statement of assets & liabilities comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

2.13 Cash flow statements

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

2.14 Investment in Subsidiary

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:
(a) at cost, or
(b) in accordance with Ind AS 109.
Company accounts for its investment in subsidiary at cost.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost:

A 'financial asset' is measured at the amortised cost if both the following conditions are met:
a)The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Fair Value Through Other Comprehensive Income (FVOCI):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.
The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Fair Value Through Profit or Loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Consolidate Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 90 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Consolidated Statement of Profit and Loss account . In Consolidated Balance Sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated Balance Sheet . The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when :

a) the rights to receive cash flows from the financial asset is transferred; or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

(b) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortized cost

If (a) eliminates / reduces measurement

(b) The Financial liabilities performance evaluation on fair value basis.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(iii) De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss account as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Restated Consolidated Statement of Assets and Liabilities.

(b) Defined contribution plan

The Group makes defined contribution to provident fund and superannuation fund, which are recognised as an expense in the Restated Consolidated Statement of Profit and Loss account on accrual basis. The Group has no further obligations under these plans beyond its monthly contributions.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Restated Consolidated Statement of Profit and Loss account.

(c) Defined benefit plans

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise. Re-measurement of the net defined liability comprising actuarial gains & loss are recognised in OCI, such remeasurements are not classified to the restated consolidated profit and loss in the subsequent periods. Compensated absences are not to be carried forward beyond 12 months are paid monthly.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, Mr. Sunil Suresh (Managing Director) regularly monitors and reviews the operating results separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The business segment in which the Group operates is 'manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories'. The Group does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Company operates in a single business segment of namely manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories

2.20 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions and recent pronouncements

The preparation of restated consolidated financial information requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 50 Equity-settled transactions: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the restated consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer note 31.

(a) Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the restated consolidated financial information.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its restated consolidated financial information.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its restated consolidated financial information.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

4(a) Property, plant and equipment

As at 31 March 2023

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 1 April 2022	Depreciation for the year	Disposals/ adjustments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold improvements	373.49	213.26	0.29	586.46	54.29	47.62	0.01	101.90	484.56	319.20
Plant and machinery	126.21	15.17	0.38	141.00	26.31	17.14	-	43.45	97.55	99.90
Electrical equipment	36.82	19.60	0.83	55.59	7.12	4.87	0.63	11.36	44.23	29.70
Furniture and fixtures	22.30	16.75	-	39.05	2.80	4.43	-	7.23	31.82	19.50
Office equipment	15.78	7.92	0.38	23.32	5.28	3.46	0.08	8.66	14.66	10.50
Computers	10.06	7.28	-	17.34	3.06	3.74	-	6.80	10.54	7.00
Vehicles	33.30	0.08	5.95	27.43	6.50	4.59	5.59	5.50	21.93	26.80
Total	**617.96**	**280.06**	**7.83**	**890.19**	**105.36**	**85.85**	**6.31**	**184.90**	**705.29**	**512.60**

As at 31 March 2022

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals/ adjustments	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Leasehold improvements	240.10	135.00	1.61	373.49	21.50	33.00	0.21	54.29	319.20	218.60
Plant and machinery	96.80	29.80	0.39	126.21	12.70	13.80	0.19	26.31	99.90	84.10
Electrical equipment	29.30	7.62	0.10	36.82	3.20	4.00	0.08	7.12	29.70	26.10
Furniture and fixtures	11.60	12.90	2.20	22.30	1.80	1.90	0.90	2.80	19.50	9.80
Office equipment	11.20	4.88	0.30	15.78	2.40	2.90	0.02	5.28	10.50	8.80
Computers	5.46	5.40	0.80	10.06	1.36	2.60	0.90	3.06	7.00	4.10
Vehicles	18.30	15.60	0.60	33.30	3.50	3.50	0.50	6.50	26.80	14.80
Total	**412.76**	**211.20**	**6.00**	**617.96**	**46.46**	**61.70**	**2.80**	**105.36**	**512.60**	**366.30**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

As at 31 March, 2021

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at 1 April 2020 (Deemed Cost)	Additions	Disposals/ adjustments (refer note below)	As at 31 March 2021	As at 1 April 2020	Depreciation expense	Disposals/ adjustments (refer note below)	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Leasehold improvements	150.80	89.30	-	240.10	-	27.70	6.20	21.50	218.60	150.80
Plant and machinery	102.00	8.85	14.05	96.80	-	12.70	-	12.70	84.10	102.00
Electrical equipment	40.00	6.60	17.30	29.30	-	3.20	-	3.20	26.10	40.00
Furniture and fixtures	19.70	0.40	8.50	11.60	-	1.80	-	1.80	9.80	19.70
Office equipment	9.20	3.10	1.10	11.20	-	2.40	-	2.40	8.80	9.20
Computers	3.50	1.96	-	5.46	-	2.40	1.04	1.36	4.10	3.50
Vehicles	21.80	-	3.50	18.30	-	3.50	-	3.50	14.80	21.80
Total	**347.00**	**110.21**	**44.45**	**412.76**	**-**	**53.70**	**7.24**	**46.46**	**366.30**	**347.00**

Note:

1. There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2020 till financial year ending 31 March 2023.
2. On transition to Ind AS (i.e. 01 April 2020), the Group has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.
3. Cost of disposal/ adjustments of assets during the year ended 31 March 2021- Leasehold improvements: Rs 41.10 million, Plant and machinery: Rs 1.30 million, Electrical equipment's: Rs 17.30 million, Furniture and fixtures: Rs 6.90 million, Office equipment's: Rs 0.80 million, Computes: Rs 1.00 million and Vehicles: Rs 0.20 million (during the year ended 31 March, 2022 and 31 March, 2023: Rs Nil).

4(b) Intangible assets

As at 31 March 2023

Particulars	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Amortisation for the year	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	12.63	22.72	-	35.35	4.60	2.18	-	6.78	28.57	8.03
Total	**12.63**	**22.72**	**-**	**35.35**	**4.60**	**2.18**	**-**	**6.78**	**28.57**	**8.03**

As at 31 March 2022

Particulars	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Computer software	10.43	2.20	-	12.63	1.73	2.87	-	4.60	8.03	8.70
Total	**10.43**	**2.20**	**-**	**12.63**	**1.73**	**2.87**	**-**	**4.60**	**8.03**	**8.70**

As at 31 March 2021

Particulars	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at 1 April 2020 (Deemed Cost)	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Computer software	9.32	1.13	0.02	10.43	-	1.75	0.02	1.73	8.70	9.32
Total	**9.32**	**1.13**	**0.02**	**10.43**	**-**	**1.75**	**0.02**	**1.73**	**8.70**	**9.32**

Note:

1. There has been no revaluation of intangible assets during the financial year beginning from 1 April 2020 till financial year ending 31 March 2023.

2. On transition to Ind AS (i.e. 01 April 2020), the Group has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

4(c) Intangible assets under development

As at 31 March 2023

Particulars	As at 1 April 2022	Additions	Disposals	As at 31 March 2023
New product under development	-	11.23	-	11.23
Total	**-**	**11.23**	**-**	**11.23**

Note: There are no intangible assets under development as at 31 March 2022 and 31 March 2021. Accordingly, no disclosure has been provided.

Note: The Group has incurred the above costs for the development of new design of sofas and furniture. However, as the Group has not registered the trademark before 31 March 2023, the same has not been capitalised.

Projects in Progress	Amount for Intangibles under development				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021	-	-	-	-	**-**
As at 31 March 2022	-	-	-	-	**-**
As at 31 March 2023	11.23	-	-	-	**11.23**

Note: There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

4(d) Capital Work in progress

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	**11.60**	-	-	-	**11.60**
Total	**11.60**	-	-	-	**11.60**

As at 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in Progress	7.90	-	-	-	**7.90**
Total	**7.90**	**-**	**-**	**-**	**7.90**

Note: There are no capital work in progress as at 31 March 2021. Accordingly, no disclosure has been provided.

Ageing for Capital work in progress

Projects in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021	-	-	-	-	-
As at 31 March 2022	7.90	-	-	-	**7.90**
As at 31 March 2023	11.60	-	-	-	**11.60**

Note: There are no overdue or cost overrun projects compared to its original plan and no periods which are temporarily suspended, on the above mentioned reporting dates.

4(e) Goodwill on consolidation

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Opening balance	**27.05**	**25.57**	**25.57**
Additions as part of additional stake acquired during the year	10.22	1.48	-
Closing balance	**37.27**	**27.05**	**25.57**

4(f) Assets retirement obligations

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Assets retirement obligations	38.69	30.73	21.07

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

5 Right of use Assets (refer note 35)

Particulars	Amount
Gross carrying amount	
Balance as at 01 April 2020	1,139.65
Additions	111.27
Deduction	-
Balance as at 31 March 2021	**1,250.92**
Additions	485.00
Deduction	-
Balance as at 31 March 2022	**1,735.92**
Additions	332.77
Deduction	-
Balance as at 31 March 2023	**2,068.69**
Accumulated depreciation	
Balance as at 01 April 2020	**324.53**
Additions	151.69
Deduction	
Balance as at 31 March 2021	**476.22**
Additions	152.88
Deduction	-
Balance as at 31 March 2022	**629.10**
Additions	194.47
Deduction	-
Balance as at 31 March 2023	**823.57**
Net carrying amount	
Written down value as at 31 March 2021	**774.70**
Written down value as at 31 March 2022	**1,106.82**
Written down value as at 31 March 2023	**1,245.12**

Note:

1. The aggregate depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the Restated Consolidated Statement of Profit and Loss account.
2. There has been no revaluation of right-of-use assets during the financial year beginning from 1 April 2020 till financial year ending 31 March 2023.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

6 Other financials assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current			
(Unsecured considered good)			
Security deposits at amortised cost	115.71	108.92	79.57
Advance for purchase of investment	-	-	8.40
	115.71	**108.92**	**87.97**
Current			
(Unsecured, considered good)			
Security deposits	32.62	-	23.42
Interest accrued on fixed deposits	8.89	30.07	6.71
Other receivables	2.47	1.26	0.06
Advance to employees	1.14	2.15	1.65
	45.12	**33.48**	**31.84**

7 Deferred tax assets (refer note 31)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Deferred tax assets:			
Property plant and equipment	1.01	3.16	2.65
Provision for employee benefits	5.05	4.03	3.09
Provision for expected credit loss	4.05	4.84	4.78
Provision for bonus	8.25	7.76	6.77
Lease liabilities (net)	71.58	57.15	42.47
Others	16.69	4.34	4.37
Deferred tax assets (net)	**106.63**	**81.28**	**64.13**

8 Other assets

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current			
Dues paid under protest	6.91	6.63	6.70
Prepaid expenses	0.22	-	0.09
Capital advances	17.36	1.05	0.37
	24.49	**7.68**	**7.16**
Current			
Advances to suppliers	80.39	101.97	77.87
Prepaid expenses	6.14	7.22	2.28
Gratuity fund balance	0.13	-	-
Balance with statutory/ government authorities	24.56	38.14	26.13
	111.22	**147.33**	**106.28**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

9 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Raw materials (at cost)*	365.14	440.79	428.88
Work-in-progress	53.51	75.15	36.54
Finished goods	795.22	665.76	487.49
	1,213.87	**1,181.70**	**952.91**

* including goods in transit of Rs 42.60 Millions [(31 March 2022 Rs 72.90 Millions) (31 March 2021 Rs 90.40 Millions)]

10 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current			
Unsecured, considered good			
- related party (refer note 38)	8.67	22.74	21.64
- others	156.73	166.74	117.88
	165.40	**189.48**	**139.52**
Unsecured, considered doubtful			
Credit impaired			
- related party (refer note 38)	7.29	7.29	7.29
- others	34.81	28.03	26.13
Less: Allowance for expected credit loss ("ECL")	(42.10)	(35.32)	(33.42)
	-	**-**	**-**
	165.40	**189.48**	**139.52**

A. Trade receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	160.85	4.55	-	-	165.40
Undisputed trade receivables- increase in credit	-	-	-	-	-
Undisputed trade receivables-credit impaired	20.88	6.18	6.90	8.14	42.10
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**181.73**	**10.73**	**6.90**	**8.14**	**207.50**
Less: Allowance for credit loss	(20.88)	(6.18)	(6.90)	(8.14)	(42.10)
Total trade receivables as at 31 March 2023	**160.85**	**4.55**	**-**	**-**	**165.40**

B. Trade receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	166.35	23.13	-	-	189.48
Undisputed trade receivables- increase in credit	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	27.62	-	7.70	35.32
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**166.35**	**50.75**	**-**	**7.70**	**224.80**
Less: Allowance for credit loss	-	(27.62)	-	(7.70)	(35.32)
Total trade receivables as at 31 March 2022	**166.35**	**23.13**	**-**	**-**	**189.48**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C. Trade receivables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	139.52	-	-	-	139.52
Undisputed trade receivables- increase in credit	-				-
Undisputed trade receivables-credit impaired	19.66	3.45	8.35	1.96	33.42
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**159.18**	**3.45**	**8.35**	**1.96**	**172.94**
Less: Allowance for credit loss	(19.66)	(3.45)	(8.35)	(1.96)	(33.42)
Total trade receivables as at 31 March 2021	**139.52**	**-**	**-**	**-**	**139.52**

Notes:
a)Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days
b) Movement in credit loss allowance

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	35.32	33.42	18.04
Change in provision during the year (refer note 30)	6.78	1.90	15.38
Balance at the end of the year	**42.10**	**35.32**	**33.42**

11 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash on hand	0.65	0.52	2.23
Cheque in hand	-	-	2.44
Balances with banks			
- in current accounts	96.03	102.05	116.54
	96.68	**102.57**	**121.21**

12 Other balance with banks

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Deposits with original maturity of more than 3 months but less than 12 months (refer note a & b below)	637.32	643.70	743.68
	637.32	**643.70**	**743.68**

Note:
a. Deposit accounts includes Rs 7.90 millions (31 March 2022: Rs 12.80 millions, 1 April 2021: Rs 12.80 millions) against the bank guarantee and Rs 3.30 millions (31 March 2022: Rs 2.30 millions, 1 April 2021: Rs 16.10 millions) placed against the letter of credit obtained by the Group.

b. Deposit accounts includes Rs 155 millions (31 March 2022: Rs 120 millions, 1 April 2021: Rs Nil) lien against the working capital facility.

13 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Taxes paid	88.00	99.40	40.13
Less: Provision for tax	61.66	36.49	4.94
	26.34	**62.91**	**35.19**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

14 Equity share capital

14.1

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Authorized share capital			
75,00,000 [(31 March 2022: 75,00,000),(31 March 2021: 75,00,000)] equity shares of Rs 10/- each	75.00	75.00	75.00
	75.00	**75.00**	**75.00**
Issued, subscribed and fully paid-up equity shares			
73,71,024 [(31 March 2022: 73,71,024),(31 March 2021: 73,71,024)] Equity shares of Rs 10/- each	73.71	73.71	73.71
	73.71	**73.71**	**73.71**

14.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	7,371,024	73.71	7,371,024	73.71	7,371,024	73.71
Issued during the year	-	-	-	-	-	-
Total	**7,371,024**	**73.71**	**7,371,024**	**73.71**	**7,371,024**	**73.71**

14.3 Details of shareholders holding more than 5% shares in the Company.

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 10/- each fully paid up						
Sunil Suresh	2,482,221	33.68%	2,482,221	33.68%	2,482,221	33.68%
Shubha Sunil	2,482,219	33.68%	2,482,219	33.68%	2,482,219	33.68%
Oman India Joint Investment Fund II	1,980,162	26.86%	1,980,162	26.86%	1,980,162	26.86%

14.4 Details of promoters shareholding as required by Companies Act, 2013*

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 10/- each fully paid up						
Sunil Suresh	2,482,221	33.68%	2,482,221	33.68%	2,482,221	33.68%
Shubha Sunil	2,482,219	33.68%	2,482,219	33.68%	2,482,219	33.68%

* For the purpose of disclosure, definition of promoter as per the Companies Act, 2013 has been considered

14.5 Rights, preferences and restrictions

The Parent 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 Holding Company, the holders of equity shares would be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

14.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding March 31 2023

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

14.7 Statement of restatement adjustments to consolidated audited financial statements

a. Reconciliation between audited equity and restated equity

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Equity as per Statutory Consolidated Ind AS Financial Statements and Statutory Indian GAAP Financial Statements, as applicable	**2,237.99**	**2,242.08**	**2,018.77**
Nature of Ind AS adjustments:			
Provision for expected credit loss	-	(19.22)	(18.98)
Lease liabilities (net)	-	(129.41)	(97.97)
Assets retirement obligations	-	(30.73)	(21.07)
Fair value of security deposit	-	(94.50)	(82.73)
Re-measurement of define benefit obligation	-	13.59	23.45
Deferred Tax on adjustment on above	-	62.22	46.12
Goodwill	-	0.12	-
Others	-	11.87	8.35
Total adjustment to equity	-	**(186.06)**	**(142.83)**
Equity as per Special Purpose Consolidated Ind AS Financial Statements and Statutory Consolidated Ind AS Financial Statements, as applicable	**2,237.99**	**2,056.02**	**1,875.94**
Nature of restated adjustments:			
Total adjustment to equity	-	-	-
Total Equity as Restated Consolidated Financial Information	**2,237.99**	**2,056.02**	**1,875.94**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

b. Reconciliation between audited profit and restated profit

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Total Comprehensive Income or Profit after tax as per Statutory Consolidated Ind AS Financial Statements and Statutory Indian GAAP Financial Statements, as applicable	**351.44**	**280.17**	**83.11**
Less:			
Nature of Ind AS adjustments:			
Effect on ROU accounting of lease	-	65.57	65.77
Provision for expected credit loss	-	1.90	15.38
Re-measurement of define benefit obligation	-	5.27	10.06
Interest on unwinding of security deposit	-	(7.09)	(6.53)
Deferred tax impact on above adjustment	-	(17.67)	(20.80)
Total adjustment	-	**47.98**	**63.88**
Profit for the year as per Ind AS	**351.44**	**232.19**	**19.23**
Other comprehensive income	-	4.81	4.27
Total Comprehensive Income as per Special Purpose Consolidated Ind AS Financial Statements and Statutory Consolidated Ind AS Financial Statements, as applicable	**351.44**	**237.00**	**23.50**
Nature of restated adjustments:			
Total adjustment	-	-	-
Total Comprehensive Income as per Restated Consolidated Financial Information	**351.44**	**237.00**	**23.50**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

15 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Securities premium reserve			
Balance at the beginning of the year	**1,162.73**	**1,162.73**	**1,162.73**
Add/(less) : Movement during the year	-	-	-
Balance at the end of the year	**1,162.73**	**1,162.73**	**1,162.73**
Retained earnings			
Balance at the beginning of the year	**750.36**	**586.87**	**577.14**
Add: Profit for the year	328.75	213.49	10.31
Change in reserves on account of changes in Non Controlling Interest	-	-	(0.58)
Less: Dividend paid	(170.00)	(50.00)	-
Balance at the end of the year	**909.11**	**750.36**	**586.87**
Items of other comprehensive income (OCI)			
Balance at the beginning of the year	10.75	6.01	1.87
Re-measurement defined benefit plans (net)	1.78	4.74	4.14
Balance at the end of the year	**12.53**	**10.75**	**6.01**
Employee stock option plan			
Balance at the beginning of the year	-	-	-
Share based payment expense	6.94	-	-
Balance at the end of the year	**6.94**	-	-
Total Equity	**2,091.31**	**1,923.84**	**1,755.61**
Non Controlling Interest	**75.58**	**60.70**	**46.62**
Opening balance	58.47	46.62	36.99
Profit for the year	21.02	18.70	8.92
Re-measurement defined benefit plans (net)	(0.11)	0.07	0.13
Dilution of non controlling interest	-	-	0.58
Adjustment in change on account of change in non controlling interest	(6.41)	(6.92)	-
Closing balance	**72.97**	**58.47**	**46.62**

Securities premium reserve
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Retained earnings
Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

Employee stock option plan
Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income
Other comprehensive income represents the remeasurement of defined benefit plans.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

16 Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current			
Secured loans			
Term loan (refer note (a), (c) and (d) below)	6.47	8.65	2.00
	6.47	**8.65**	**2.00**
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	4.18	3.07	0.88
	2.29	**5.58**	**1.12**
Current			
Loan from related party (refer note (e) below and refer note 38)	47.85	-	-
Secured loans			
Secured, overdraft facility (refer note (b) below)	39.38	52.21	0.53
Current maturities of term loan (refer note (a), (c) and (d) below)	4.18	3.07	0.88
	91.41	**55.28**	**1.41**

Notes:

a) The Group during the year ended 31 March 2022, has taken auto loan from HDFC bank for Rs 7.5 Millions which is repayable in 39 equated monthly installments at the rate of interest of 7% per annum secured by hypothecation of vehicle.

b) Working capital facilities (fund based and non-fund based) aggregating to Rs. 1090.62 Millions (As at 31 March 2022 Rs. 500.00 Millions, 31 March 2021: Rs Nil) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works and lien on bank deposit of Rs. 150.00 Millions.

c) Vehicle loan from Kotak Mahindra Prime Ltd of Rs 1.0 million (31 March 2022: Rs 1.6 millions,1 April 2021: Rs 2 millions) including current maturities of long term debt Rs 1.0 million (31 March 2022:Rs 0.5 million, 1 April 2021: Rs 0.5 million) carry interest at the 8.38% per annum (31 March 2022: 8.38%, 1 April 2021: 8.38%) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs 50,875 each.

d) Vehicle loan from HDFC Bank Limited of Rs 0.8 million (31 March 2022 Rs 1.1 million, 1 April 2021 Rs Nil) including current maturities of long term debt Rs 0.8 million (31 March 2022: Rs 0.4 million, 1 April 2021 Rs Nil) carry interest at the 7.5% per annum (31 March 2022: 7.5% per annum, 1 April 2021 Nil %) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs 38,989 each.

e) The Group during the year ended 31 March 2023 has taken borrowings from director of Rs. 47.8 Million without specifying any terms or period of payment at the rate of interest 8% p.a. accrued on monthly basis.

f) The Group has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2022 to 31 March 2023 except as given below:

A.Stanley Retail Limited

Amount not paid on due date during the year (Rs.)		Due Date	Date of Payment	No. of days delay	Nature of Borrowing and lender income
Principal	Interest				
0.04	0.01	5-Apr-22	6-Apr-22	1	Vehicle loan (Kotak Mahindra Bank)
0.04	0.01	5-May-22	9-May-22	4	
0.04	0.01	5-Jun-22	11-Jun-22	6	
0.04	0.01	5-Jul-22	9-Jul-22	4	
0.04	0.01	5-Aug-22	8-Aug-22	3	
0.04	0.01	5-Nov-22	7-Nov-22	2	
0.04	0.01	5-Jan-23	6-Jan-23	1	
0.04	0.01	5-Mar-23	6-Mar-23	1	

B. Stanley Lifestyle Limited

Amount not paid on due date during the year (Rs.)			Due Date	Date of Payment	No. of days delay	Nature of Borrowing and lender income
Principal		Interest				
0.18		0.04	June 05, 2022	June 09, 2022	4	Vehicle loan (HDFC Bank)
0.18		0.04	August 05, 2022	August 12, 2022	7	
0.18		0.04	January 05, 2023	January 09, 2023	4	

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

17 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Non-current			
Provision for employee benefits			
Gratuity(refer note 36)	10.57	6.40	8.64
Compensated absence (refer note 36)	-	3.75	5.33
	10.57	**10.15**	**13.97**
Current			
Provision for employee benefits			
Gratuity (refer note 36)	11.32	10.56	6.96
Compensated absence (refer note 36)	3.68	0.46	0.67
Provision for warranty (refer note 44)	12.38	9.80	7.58
	27.38	**20.82**	**15.21**

Provision for warranties

A provision is recognised for expected warranty claims on products sold during the years, based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold.

18 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total outstanding dues to micro and small enterprises (refer note 40)	79.01	46.43	5.82
Total outstanding of creditors other than micro and small enterprises			
- related Parties (refer note 38)	36.28	17.57	2.15
- others	322.66	421.50	415.64
	437.95	**485.50**	**423.61**

A. Trade payables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	79.01	-	-	-	79.01
Undisputed dues to creditors other than micro and small enterprises	140.17	216.54	1.84	0.13	0.26	358.94
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
	140.17	**295.55**	**1.84**	**0.13**	**0.26**	**437.95**

B. Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	46.43	-	-	-	**46.43**
Undisputed dues to creditors other than micro and small enterprises	167.99	216.95	16.98	27.28	9.87	**439.07**
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
	167.99	**263.38**	**16.98**	**27.28**	**9.87**	**485.50**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C. Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues to micro and small enterprises	-	5.82	-	-	-	5.82
Undisputed dues to creditors other than micro and small enterprises	217.75	164.44	25.50	6.81	3.29	417.79
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
	217.75	**170.26**	**25.50**	**6.81**	**3.29**	**423.61**

Notes:

a) For information required to be furnished as per Section 22 of the Micro, small, and medium Enterprises Development Act 2006 (MSMED Act) and Schedule III of the companies Act 2013, Refer note 40

b) For details on transactions with related party, Refer note 38

c) Trade payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

19 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Current			
Dealer deposits	0.35	0.35	0.45
	0.35	**0.35**	**0.45**

20 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Advance from customers	241.61	229.20	179.29
Statutory dues	52.46	39.25	29.40
Capital creditors	3.35	-	-
Advances received against sale of property, plant and equipment	-	2.00	-
	297.42	**270.45**	**208.69**

21 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Provision for taxes	133.27	117.15	50.20
Less: Taxes paid	114.45	66.81	19.18
	18.82	**50.34**	**31.02**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

22 Revenue from operations

Particulars	31 March 2023	31 March 2022	31 March 2021
Sale of products			
-Manufactured goods	3,900.93	2,710.52	1,720.10
-Traded goods	251.86	167.02	196.30
-Raw materials	25.19	40.28	36.20
Other operating revenues	12.00	4.22	5.20
	4,189.98	**2,922.04**	**1,957.80**

*Include export sales of Rs 226.59 million (31 March 2022: Rs 204.32 million and 31 March 2021: Rs 133.91 million)

Reconciliation of amount of revenue recognised in Restated Consolidated Statement of Profit and Loss with contracted price:

Particulars	31 March 2023	31 March 2022	31 March 2021
i. Sale of products			
Contract price	4,177.98	2,917.82	1,952.60
Revenue recognized	**4,177.98**	**2,917.82**	**1,952.60**
ii. Other operating revenue			
a. Comission income	1.30	0.61	-
b. Export incentive	10.70	3.61	5.20
iii. Contract balance			
a. Trade receivables (refer note 10)	165.40	189.48	139.52
b. Advance received from customers (refer note 20)	241.61	229.20	179.29

23 Other income

Particulars	31 March 2023	31 March 2022	31 March 2021
Interest income on			
- Bank deposits	26.81	32.92	39.40
- Unwinding of security deposit	8.64	6.52	6.69
- Others	0.27	1.09	-
Profit on sale of property, plant and equipment	2.93	-	-
Foreign exchange difference (net)	10.69	10.65	3.20
Liabilities no longer required written back	15.96	3.96	4.99
Miscellaneous income	0.94	0.37	5.03
	66.24	**55.51**	**59.31**

24 Cost of materials consumed

Particulars	31 March 2023	31 March 2022	31 March 2021
Inventories at the beginning of the year (refer note 9)	440.79	428.88	321.04
Add : Purchases made during the year			
- Related parties	106.44	83.65	3.07
- others	1,860.46	1,384.36	1,006.77
	2,407.69	**1,896.89**	**1,330.88**
Less : Inventories at the end of the year (refer note 9)	365.14	440.79	428.88
Total cost of materials consumed	**2,042.55**	**1,456.10**	**902.00**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

25 Purchase of stock-in-trade

Particulars	31 March 2023	31 March 2022	31 March 2021
Purchase of stock-in-trade	108.14	201.30	52.90
	108.14	**201.30**	**52.90**

26 Change in inventories

Particulars	31 March 2023	31 March 2022	31 March 2021
Inventories at the end of the year (refer note 9)			
Finished goods	795.22	665.76	487.49
Work-in-progress	53.51	75.15	36.54
	848.73	**740.91**	**524.03**
Inventories at the beginning of the year (refer note 9)			
Finished goods	665.76	487.49	513.19
Work-in-progress	75.15	36.54	31.34
	740.91	**524.03**	**544.53**
	(107.82)	**(216.88)**	**20.50**

27 Employee benefit expenses

Particulars	31 March 2023	31 March 2022	31 March 2021
Salaries, wages and bonus	433.30	294.50	234.70
Contribution to provident and other funds (refer note 36)	22.27	15.60	14.76
Gratuity expense (refer note 36)	9.06	8.59	9.26
Share based payment expense (refer note 50)	6.94	-	-
Staff welfare expenses	23.00	18.68	11.64
	494.57	**337.37**	**270.36**

28 Finance costs

Particulars	31 March 2023	31 March 2022	31 March 2021
Interest expense on			
- Working capital borrowings	18.71	12.36	6.10
- Micro and small enterprises (refer note 40)	0.85	0.50	1.11
- Lease liabilities (refer note 35)	122.32	93.29	78.81
- Others	0.62	0.44	-
Processing fees for working capital borrowings	1.25	-	-
Borrowing cost on asset retirement obligations	3.16	2.19	1.70
	146.91	**108.78**	**87.72**

29 Depreciation and amortisation expenses

Particulars	31 March 2023	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (refer note 4(a))	85.85	61.70	53.70
Amortization of intangible assets (refer note 4(b))	2.18	2.87	1.75
Depreciation on right of use assets (refer note 5)	194.47	152.88	151.69
	282.50	**217.45**	**207.14**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

30 Other expenses

Particulars	**31 March 2023**	**31 March 2022**	**31 March 2021**
Advertisement and business promotion	196.46	85.47	86.40
Rent including lease rentals (refer note 35)	39.75	29.58	18.42
Carriage outwards	63.45	45.63	31.44
Royalty expenses (refer note 38)	10.17	10.40	12.22
Power and fuel	52.02	36.15	26.62
Expenditure on Corporate Social Responsibility (CSR) (refer note 49)	3.30	3.55	6.10
Travelling and conveyance	29.21	12.17	4.85
Security charges	22.05	14.66	6.65
Repairs and maintenance			
-Plant and machinery	4.94	2.86	5.73
-Leasehold facilities	6.82	6.64	14.60
-Others	40.63	34.53	13.32
Legal and professional charges	26.79	14.96	7.95
Rates and taxes	28.79	3.95	4.23
Job work charges	196.77	171.62	81.01
Bank charges	14.78	12.61	10.16
Communication expenses	3.52	2.52	2.67
Insurance expenses	9.42	7.50	4.89
Sales commission	23.13	22.54	11.19
Audit remuneration (refer note below)	6.84	2.80	2.40
Loss on sale of property, plant and equipment	-	2.34	34.43
Director sitting fees	0.82	0.19	0.60
Bad debts	1.01	1.98	2.69
Provision for credit allowances (refer note 10)	6.78	1.90	15.38
Provisions for warranty (refer note 44)	2.58	2.22	0.03
Miscellaneous expenses	35.34	25.30	10.31
	825.37	**554.07**	**414.29**
Note:			
Audit remuneration (net of taxes)			
For statutory audit	6.77	2.40	2.40
For reimbursement of expenses	0.07	0.40	-
	6.84	**2.80**	**2.40**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

31 Income tax expenses

31.1 Tax expense reported in the Restated Consolidated Statement of Profit and Loss

A. The major components of income tax expense for the year are as under :

Particulars	31 March 2023	31 March 2022	31 March 2021
i. Tax expense recognized in the Restated Consolidated Statement of Profit and Loss account:			
Current tax expense:			
Current tax on profit for the year	143.98	103.54	48.60
Relating to earlier years:			
Tax relating to earlier years	(3.84)	2.40	28.37
Deferred tax expense:			
Deferred tax expenses for the year	(25.91)	(18.77)	(34.00)
Total tax expense recognized in the Restated Consolidated Statement of Profit and Loss Account	**114.23**	**87.17**	**42.97**
ii. Tax expense recognized in Restated Other Comprehensive Income:			
Items that will not be reclassified to Restated Consolidated Statement of Profit and Loss account			
Re-measurement of defined benefit plan	0.56	1.62	1.44
Total Tax expense recognized in Restated Other Comprehensive Income:	**0.56**	**1.62**	**1.44**
Total tax expense recognized in Restated Total Comprehensive Income:	**114.79**	**88.79**	**44.41**

B. Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	31 March 2023	31 March 2022	31 March 2021
Accounting restated profit before income tax expenses	464.00	319.36	62.20
Enacted tax rate in India (%)	25.17%	25.17%	25.17%
Computed expected tax expense	116.78	80.38	15.65
Tax effect of :			
- Expenses that are not deductible in determining taxable profit	1.04	1.02	-
- Bought forward losses	(1.06)	-	-
- Warranties	(2.47)	-	-
- tax relating to earlier years	(3.84)	2.40	28.37
- Others	4.34	4.99	0.39
Tax expenses recognized in Restated Consolidated Statement of Profit and Loss account	**114.79**	**88.79**	**44.41**
Effective tax rate (%)	25.57%	27.05%	25.78%

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

31.2 Deferred Tax Assets

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Deferred tax assets:			
Property plant and equipment	1.01	3.16	2.65
Provision for employee benefits	5.05	4.03	3.09
Provision for expected credit loss	4.05	4.84	4.78
Provision for bonus	8.25	7.76	6.77
Lease liabilities (net)	71.58	57.15	42.47
Others	16.69	4.34	4.37
	106.63	**81.28**	**64.13**
Deferred tax assets (net)	**106.63**	**81.28**	**64.13**

Movement of deferred tax assets:
As at 31 March 2023

Particulars	As at 31 March 2022	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2023
Deferred tax assets				
Property plant and equipment	3.16	(2.15)	-	1.01
Provision for employee benefits	4.03	1.58	(0.56)	5.05
Provision for expected credit loss	4.84	(0.79)	-	4.05
Provision for bonus	7.76	0.49	-	8.25
Lease liabilities (net)	57.15	14.43	-	71.58
Others	4.34	12.35	-	16.69
Total	**81.28**	**25.91**	**(0.56)**	**106.63**
Net deferred tax Assets	**81.28**	**25.91**	**(0.56)**	**106.63**

As at 31 March 2022

Particulars	As at 31 March 2021	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2022
Deferred tax assets				
Property plant and equipment	2.65	0.51	-	3.16
Provision for employee benefit expense	3.09	2.56	(1.62)	4.03
Provision for expected credit loss	4.78	0.06	-	4.84
Provision for bonus	6.77	0.99	-	7.76
Lease liabilities (net)	42.47	14.68	-	57.15
Others	4.37	(0.03)	-	4.34
Total	**64.13**	**18.77**	**(1.62)**	**81.28**
Net deferred tax assets	**64.13**	**18.77**	**(1.62)**	**81.28**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

As at 31 March 2021

Particulars	As at 31 March 2020	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2021
Deferred tax assets				
Property plant and equipment	(8.36)	11.01	-	2.65
Provision for employee benefits	3.50	1.03	(1.44)	3.09
Provision for expected credit loss	4.11	0.67	-	4.78
Provision for bonus	2.36	4.41	-	6.77
Lease liabilities (net)	26.65	15.82	-	42.47
Others	3.31	1.06	-	4.37
Total	**31.57**	**34.00**	**(1.44)**	**64.13**
Net deferred tax assets	**31.57**	**34.00**	**(1.44)**	**64.13**

Minimum alternate tax:

Particulars	Amount
As at 31 March 2021	
Opening balance	**2.42**
Added during the year	-
Utilized during the year	(2.42)
Closing balance	**-**
As at 31 March 2022	
Opening balance	**-**
Added during the year	-
Utilized during the year	-
Closing balance	**-**
As at 31 March 2023	
Opening balance	**-**
Added during the year	-
Utilized during the year	-
Closing balance	**-**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

32 Financial risk management objectives and policies

Risk management framework

The Board of Directors of the Parent have the overall responsibility for the establishment and oversight of the their risk management framework. The Group has constituted a Risk Management Committee. The Group has in place a Risk management framework to identify, evaluate business risks and challenges across the Group. The risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Group functional currency in Indian Rupees (Rs). The Group undertakes transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. The Group is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars, Euro, GBP, AED, NOK and YEN;

During the current year, the Group has exported finished goods and imported leather, raw materials, and other accessories, which are subject to foreign exchange risk.

Refer note 41 for foreign currency risk exposure as at Restated Consolidated Statement of Assets and Liabilities

Commodity price risk

The Parent doesn’t enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group is exposed to credit risk from its operating activities mainly trade receivables. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Group through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The provision for expected credit losses has been historically less. The assessment is done at regular intervals and allowance for credit losses as at 31 March 2023, 31 March 2022 and 31 March 2021 is considered to be adequate:

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	181.73	25.77	166.35	58.45	159.18	13.76
Expected credit losses (Loss allowance provision)	20.88	21.22	-	35.32	19.66	13.76
Carrying amount of trade receivables (net of impairment)	**160.85**	**4.55**	**166.35**	**23.13**	**139.52**	**-**

Movement in expected credit losses:

Particulars	Amount
As at 1 April 2020	**18.04**
Movement during the year	15.38
As at 31 March 2021	**33.42**
Movement during the year	1.90
As at 31 March 2022	**35.32**
Movement during the year	6.78
As at 31 March 2023	**42.10**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

b) Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Group's short-term, medium-term and long-term funding. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023

Financial liabilities	**Due within (years)**			**Total**
	Less than 1 year	**1 - 3 years**	**More than 3 years**	
Borrowings (refer note 16)	91.41	2.29	-	**93.70**
Trade payable (refer note 18)	437.95	-	-	**437.95**
Other financial liabilities (refer note 19)	0.35	-	-	**0.35**
	529.71	**2.29**	**-**	**532.00**

As at 31 March 2022

Financial liabilities	**Due within (years)**			**Total**
	Less than 1 year	**1 - 3 years**	**More than 3 years**	
Borrowings (refer note 16)	55.28	5.58	-	**60.86**
Trade payable (refer note 18)	485.50	-	-	**485.50**
Other financial liabilities (refer note 19)	0.35	-	-	**0.35**
	541.13	**5.58**	**-**	**546.71**

As at 31 March 2021

Financial liabilities	**Due within (years)**			**Total**
	Less than 1 year	**1 - 3 years**	**More than 3 years**	
Borrowings (refer note 16)	1.41	1.12	-	**2.53**
Trade payable (refer note 18)	423.61	-	-	**423.61**
Other financial liabilities (refer note 19)	0.45	-	-	**0.45**
	425.47	**1.12**	**-**	**426.59**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees at floating rates of interest.

Total borrowings as at the Restated Consolidated Statement of Assets and Liabilities is as follows:

Financial liabilities	**31 March 2023**	**31 March 2022**	**31 March 2021**
Borrowing (including current maturities) (refer note 16)	93.70	60.86	2.53
Total	**93.70**	**60.86**	**2.53**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31 March 2023 would decrease / increase by Rs. 0.19 million (for the year ended 31 March 2022: decrease / increase by Rs. 0.12 million and for the year ended 31 March 2021: decrease / increase by Rs. 0.06 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Capital management

The Group's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Group. The Group determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

Particulars	**31 March 2023**	**31 March 2022**	**31 March 2021**
Borrowings (including current maturities) (refer note 16)	93.70	60.86	2.53
Less:			
Cash and cash equivalents (refer note 11)	96.68	102.57	121.21
Bank balances other than cash and cash equivalents (refer note 12)	637.32	643.70	743.68
Net debt	**(640.30)**	**(685.41)**	**(862.36)**
Total equity	2,237.99	2,056.02	1,875.94
Capital gearing ratio	(0.29)	(0.33)	(0.46)

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Dividends

Particulars	31 March 2023	31 March 2022	31 March 2021
(i) Dividends recognized			
a. Final dividend for the year ended 31 March 2022 of Rs 4.07/- (31 March 2021 – Rs 1.45/-) per fully paid share	30.00	10.69	-
a. Interim dividend for the year ended 31 March 2023 of Rs 18.99/- (31 March 2021 – Rs 5.33/-) per fully paid share	140.00	39.31	-
(ii) Dividends not recognized at the end of the reporting period a. In addition to the above dividends, since the year ended, the Directors have recommended the payment of a final dividend of Rs. 30 Millions (31 March 2022: Rs 4.07/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	-	30.00	10.69
b. In addition to the above dividends, since the year ended, the Directors has declared and paid the interim dividend of Rs. 70 Millions (31 March 2022: Rs 9.50/-) per fully paid equity share.	-	70.00	39.31

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

33 Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the Restated Consolidated Statement of Assets and Liabilities.

Financial instruments by category and hierarchy
This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these consolidated financial statements at amortised cost approximate their fair values.

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	As at 31 March 2023			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Trade receivables (refer note 10)	3	165.40	-	165.40	165.40
(b) Cash and cash equivalents (refer note 11)	3	96.68	-	96.68	96.68
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	637.32	-	637.32	637.32
(d) Other financial assets (refer note 6)	3	160.83	-	160.83	160.83
Total		**1,060.23**	**-**	**1,060.23**	**1,060.23**
Financial liabilities					
(a) Borrowings (refer note 16)	3	93.70	-	93.70	93.70
(b) Trade payables (refer note 18)	3	437.95	-	437.95	437.95
(c) Lease liability (refer note 35)	3	1,418.99	-	1,418.99	1,418.99
(d) Asset retirement obligation (refer note 4(f))	3	38.69		38.69	38.69
(e) Other financial liabilities (refer note 19)	3	0.35	-	0.35	0.35
Total		**1,989.68**	**-**	**1,989.68**	**1,989.68**

Particulars	Level	As at 31 March 2022			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Trade receivables (refer note 10)	3	189.48	-	189.48	189.48
(b) Cash and cash equivalents (refer note 11)	3	102.57	-	102.57	102.57
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	643.70	-	643.70	643.70
(d) Other financial assets (refer note 6)	3	142.40	-	142.40	142.40
Total		**1,078.15**	**-**	**1,078.15**	**1,078.15**
Financial liabilities					
(a) Borrowings (refer note 16)	3	60.86	-	60.86	60.86
(b) Trade payables (refer note 18)	3	485.50	-	485.50	485.50
(c) Lease liability (refer note 35)	3	1,236.23	-	1,236.23	1,236.23
(d) Asset retirement obligation (refer note 4(f))	3	30.73	-	30.73	30.73
(e) Other financial liabilities (refer note 19)	3	0.35	-	0.35	0.35
Total		**1,813.67**	**-**	**1,813.67**	**1,813.67**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Level	As at 31 March 2021			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Trade receivables (refer note 10)	3	139.52	-	139.52	139.52
(b) Cash and cash equivalents (refer note 11)	3	121.21	-	121.21	121.21
(c) Bank balances other than cash and cash equivalents (refer note 12)	3	743.68	-	743.68	743.68
(d) Other financial assets (refer note 6)	3	119.81	-	119.81	119.81
Total		**1,124.22**	**-**	**1,124.22**	**1,124.22**
Financial liabilities					
(a) Borrowings (refer note 16)	3	2.53	-	2.53	2.53
(b) Trade payables (refer note 18)	3	423.61	-	423.61	423.61
(c) Lease liability (refer note 35)	3	872.67	-	872.67	872.67
(d) Asset retirement obligation (refer note 4(f))	3	21.07	-	21.07	21.07
(e) Other financial liabilities (refer note 19)	3	0.45	-	0.45	0.45
Total		**1,320.33**	**-**	**1,320.33**	**1,320.33**

Note:
The Group has not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.

34 First-time adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the year ended 31 March 2023, the comparative information presented in these consolidated financial statements for the year ended 31 March 2022 and in the preparation of an opening Ind AS Consolidated Balance Sheet at 1 April 2020 (the Group's date of transition). In preparing its opening Ind AS consolidated Balance Sheet, the Group has adjusted the amounts reported previously in consolidated financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

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Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following material exemptions:

Derecognition of financial assets and financial liabilities

The Group has elected to use the exemption for derecognition of financial assets and liabilities prospectively i.e. after 1 April 2020.

Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Group has determined that there will be significant increase in credit risk since the initial recognition of a financial instrument which would require undue cost or effort. The Group has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised (unless that financial instrument is low credit risk at a reporting date).

Optional exemptions:

Deemed cost - Previous GAAP carrying amount: (Property, plant and equipment)

The Group has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment and intangible assets as per the balance sheet prepared in accordance with previous GAAP.

Lease

The Group has not availed itself of exemption to assess whether a contract of arrangement contains a lease at the date of transition and instead has assessed all the arrangements for embedded leases based on the conditions in place at the inception of the contract or arrangement.

Fair value measurement of financial assets or financial liabilities

In accordance with paragraph D20 of Ind AS 101, the Group has applied day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS.

Investment in Subsidiaries

The Group has elected to use the exemption to measure all investments in Subsidiaries as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (1 April 2020).

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

34 First-time adoption of Ind AS - Reconciliation
Effect of Ind AS adoption on the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2022 and 31 March 2021

Particulars	Note	As at 31 March 2021 (End of last period presented under previous GAAP)			As at 31 March 2022 (End of last period presented under previous GAAP)		
		Amount as per IGAAP	Effects of transition/Regrouping to Ind AS	Amount as per Ind AS	Amount as per IGAAP	Effects of transition/Regrouping to Ind AS	Amount as per Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		366.30	-	366.30	512.60	-	512.60
Capital work-in-progress		-	-	-	7.90	-	7.90
Intangible assets		8.70	-	8.70	8.03	-	8.03
Right of use assets	D	-	774.70	774.70	-	1,106.82	1,106.82
Goodwill on consolidation		25.57	-	25.57	26.93	0.12	27.05
Financial assets							
(i) Other financial assets	E & F	-	87.97	87.97	-	108.92	108.92
Deferred tax assets	C	18.01	46.12	64.13	19.06	62.22	81.28
Non Current tax assets (net)	F	-	35.19	35.19	-	62.91	62.91
Other non-current assets	F	177.86	(170.70)	7.16	211.10	(203.42)	7.68
Current assets							
Inventories		952.91	-	952.91	1,181.70	-	1,181.70
Financial assets							
(i) Trade receivables	B	158.50	(18.98)	139.52	208.70	(19.22)	189.48
(ii) Cash and cash equivalents	F	864.89	(743.68)	121.21	746.27	(643.70)	102.57
(iii) Bank balances other than (ii) above	F	-	743.68	743.68	-	643.70	643.70
(v) Other financial assets	E& F	-	31.84	31.84	-	33.48	33.48
Other current assets	F	133.30	(27.02)	106.28	181.61	(34.28)	147.33
Total Assets		**2,706.04**	**759.12**	**3,465.16**	**3,103.90**	**1,117.55**	**4,221.45**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		73.71	-	73.71	73.71	-	73.71
Other equity	A to I	1,888.76	(133.15)	1,755.61	2,093.49	(169.65)	1,923.84
Non controlling interest		56.30	(9.68)	46.62	74.88	(16.41)	58.47
		2,018.77	**(142.83)**	**1,875.94**	**2,242.08**	**(186.06)**	**2,056.02**
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Borrowings		1.12	-	1.12	5.58	-	5.58
(ii) Lease liabilities	D	-	784.61	784.61	-	1,090.16	1,090.16
(iii) Asset retirement obligation		-	21.07	21.07	-	30.73	30.73
Provisions	A	13.20	0.77	13.97	9.52	0.63	10.15
		14.32	**806.45**	**820.77**	**15.10**	**1,121.52**	**1,136.62**
Current liabilities							
Financial liabilities							
(i) Borrowings		1.41	-	1.41	55.28	-	55.28
(ii) Lease liabilities	D	-	88.06	88.06	-	146.07	146.07
(iii) Trade payables							
a)Total outstanding dues to micro and small enterprises		5.82	-	5.82	46.43	-	46.43
b)Total outstanding of creditors other than micro and small	F	424.42	(6.63)	417.79	444.21	(5.14)	439.07
(iv) Other financial liabilities	F	-	0.45	0.45	-	0.35	0.35
Other current liabilities	F	208.50	0.19	208.69	270.90	(0.45)	270.45
Provisions	A & F	32.80	(17.59)	15.21	29.90	(9.08)	20.82
Current tax liabilities (Net)	F	-	31.02	31.02	-	50.34	50.34
		672.95	**95.50**	**768.45**	**846.72**	**182.09**	**1,028.81**
Total Equity and Liabilities		**2,706.04**	**759.12**	**3,465.16**	**3,103.90**	**1,117.55**	**4,221.45**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

34 First-time adoption of Ind AS - Reconciliation

Reconciliation of Restated Consolidated Statement of Profit and Loss account:

Particulars	Note	Year ended 31 March 2021 Amount as per IGAAP	Year ended 31 March 2021 Effects of transition to Ind AS	Year ended 31 March 2021 Amount as per Ind AS	Year ended 31 March 2022 Amount as per IGAAP	Year ended 31 March 2022 Effects of transition to Ind AS	Year ended 31 March 2022 Amount as per Ind AS
Income:							
Revenue from operations		1,957.80	-	1,957.80	2,921.40	0.64	2,922.04
Other income	F	52.78	6.53	59.31	49.06	6.45	55.51
Total income		**2,010.58**	**6.53**	**2,017.11**	**2,970.46**	**7.09**	**2,977.55**
Expenses:							
Cost of materials consumed		902.00	-	902.00	1,456.10	-	1,456.10
Purchases of Stock-in-Trade		52.90	-	52.90	201.30	-	201.30
Changes in inventories of finished goods, stock-in -trade and work- in-progress		20.50	-	20.50	(216.88)	-	(216.88)
Employee benefits expense	A	260.30	10.06	270.36	332.10	5.27	337.37
Finance costs	D	9.20	78.52	87.72	13.30	95.48	108.78
Depreciation and amortization	D	55.50	151.64	207.14	64.60	152.85	217.45
Other expenses	D & B	563.30	(149.01)	414.29	734.93	(180.86)	554.07
Total expenses		**1,863.70**	**91.21**	**1,954.91**	**2,585.45**	**72.74**	**2,658.19**
Profit before tax		**146.88**	**(84.68)**	**62.20**	**385.01**	**(65.65)**	**319.36**
Tax expenses:							
Current tax		48.60	-	48.60	103.54	-	103.54
Tax relating to earlier years		28.37	-	28.37	2.40	-	2.40
Deferred tax	C	(13.20)	(20.80)	(34.00)	(1.10)	(17.67)	(18.77)
Total tax expense		**63.77**	**(20.80)**	**42.97**	**104.84**	**(17.67)**	**87.17**
Profit after tax for the year		**83.11**	**(63.88)**	**19.23**	**280.17**	(47.98)	**232.19**
Profit/(Loss) attributable to Non Controlling Interest		12.78	(3.86)	8.92	25.64	(6.94)	18.70
Profit/(Loss) attributable to Owners		**70.33**	**(60.02)**	**10.31**	**254.53**	**(41.04)**	**213.49**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:							
Re-measurement gains/ (losses) on defined benefit plans		-	5.71	5.71	-	6.43	6.43
Income tax effect on above		-	(1.44)	(1.44)	-	(1.62)	(1.62)
Other comprehensive income for the year, net of tax			**4.27**	**4.27**	**-**	**4.81**	**4.81**
Restated other comprehensive income/(losses) attributable to non controlling interest		-	0.13	0.13	-	0.07	0.07
Restated other comprehensive income attributable to owners		-	4.14	4.14	-	4.74	4.74
IX Restated total comprehensive income (net of tax) for the years		**83.11**	**(59.61)**	**23.50**	**280.17**	**(43.17)**	**237.00**
Restated total comprehensive income/(losses) attributable to non controlling interest		-	9.05	9.05	-	18.77	18.77
Restated total comprehensive income/(losses) attributable to owners		-	14.45	14.45	-	218.23	218.23

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

34 First-time adoption of Ind AS - Reconciliation

Reconciliation of equity as at 31 March 2021 and 31 March 2022 previously reported under IGAAP to Ind AS:

Particulars	Note	As at 31 March 2021	As at 31 March 2022
Equity as per previous Indian GAAP		1,945.06	2,168.37
Nature of Ind AS adjustments:			
Provision for expected credit loss	B	(18.98)	(19.22)
Lease liabilities (net)	D	(97.97)	(129.41)
Assets retirement obligations	F	(21.07)	(30.73)
Fair value of security deposit	F	(82.73)	(94.50)
Re-measurement of define benefit obligation	A	23.45	13.59
Deferred Tax on adjustment on above	C	46.12	62.22
Goodwill		-	0.12
Others	E	8.35	11.87
Total adjustment to equity		**(142.83)**	**(186.06)**
Other equity including non controlling interest under Ind AS		**1,802.23**	**1,982.31**

Reconciliation of total comprehensive income for the year ended 31 March 2022 and 31 March 2021:

Particulars	31 March 2021	31 March 2022
Profit after tax as per IGAAP	**83.11**	**280.17**
Less:		
Nature of Ind AS adjustments:		
Effect on ROU accounting of lease	65.77	65.57
Provision for expected credit loss	15.38	1.90
Re-measurement of define benefit obligation	10.06	5.27
Interest on unwinding of security deposit	(6.53)	(7.09)
Deferred tax impact on above adjustment	(20.80)	(17.67)
Total adjustment	**63.88**	**47.98**
Profit for the year as per Ind AS	**19.23**	**232.19**
Other comprehensive income	**4.27**	**4.81**
Total Comprehensive income under Ind AS	**23.50**	**237.00**

A. Defined benefit liabilities:

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the IGAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

B. Trade receivables:

Under IGAAP, the Group had recognized provision on trade receivables based on the expectation. Under Ind AS, the Group provides loss allowance on receivables based on the Expected Credit Loss (ECL) model which is measured following the "simplified approach" at an amount equal to the lifetime ECL at each reporting date.

C. Deferred tax:

Under IGAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Under Ind AS, accounting of deferred taxes is done using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

D. Right of use assets and lease liability:

Under IGAAP, the Group had recognized lease payments as indirect expenses under the profit and loss account. Under Ind AS the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease liability is measured at amortised cost using the effective interest method.

E. Others:

Other adjustments on account of transition to Ind AS include reclassification of land lease classified as operating leases from property, plant and equipment to prepaid rentals, fair valuation of deposits and corresponding adjustments in revenue and expenses.

F. Reclassification:

Other adjustments on account of transition to Ind AS include reclassification of items of assets, liabilities and taxes to appropriate line items of Ind-AS balance sheet prescribed under Schedule III to the Companies Act, 2013.

G. Other comprehensive income:

Under Ind AS, all items of income and expense recognized in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss as ‘other comprehensive income’ includes fair valuation of investment in equity shares and mutual fund, remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under IGAAP.

H. Statement of cash flows:

The Ind AS adjustment are either non cash adjustment or are reporting among the cash flow from operating, investing and financing activities. Consequently, Ind AS adoption has no impact as the net cash flow for the year ended 31 March 2022 as compared with the previous GAAP.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

35 Leases

Information on leases as per Ind AS 116 on "Leases":

(a) Following are the changes in the carrying value of right of use assets :

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Opening Balance	1,106.82	774.70	815.12
Additions	332.77	485.00	111.27
Deletions	-	-	-
Depreciation	(194.47)	(152.88)	(151.69)
Closing Balance	**1,245.12**	**1,106.82**	**774.70**

The aggregate depreciation is included under depreciation and amortisation expense in the Restated Consolidated Statement of Profit and Loss Account.

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Lease liabilities	167.93	1,251.06	146.07	1,090.16	88.06	784.61

(c) The following is the movement in the lease liabilities for the year ended 31 March 2023, 31 March 2022 and 31 March 2021:

Particulars	Lease Liabilities
As at 01 April 2020	**854.22**
Additions/modifications	102.01
Finance cost	78.81
Lease rentals paid	(162.37)
As at 31 March 2021	**872.67**
Additions/modifications	453.46
Finance cost	93.29
Less: Lease rentals paid	(183.19)
Balance as at 31 March 2022	**1,236.23**
Additions/modifications	314.40
Deletions	-
Finance cost	122.32
Lease rentals paid	(253.96)
Balance as at 31 March 2023	**1,418.99**

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021 on an undiscounted basis.

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Undiscounted future cash flows			
- Not later than 1 year	262.00	222.36	148.89
- Later than 1 year and not later than 5 years	953.79	825.92	647.16
- Later than 5 years	458.47	494.08	396.85

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(e) The following are the amounts recognised in the Restated Consolidated Statement of Profit and Loss account:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Interest on Lease Liabilities	122.32	93.29	78.81
Amortisation of right of use assets	194.47	152.88	151.69
Expense related to Short-term Leases	39.75	29.58	18.42

(f) Amount recognised in Restated Consolidated Statement of Cash Flows

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash outflow			
- Principal amount	131.64	89.90	83.56
- Interest amount	122.32	93.29	78.81

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

36 Employee benefits

a. Defined contribution plan

The Group contribution to defined contribution plan has been recognized as expense in the Restated Consolidated Statement of Profit and Loss Account under the head employee benefit expense for the year are as under:

Particulars	31 March 2023	31 March 2022	31 March 2021
Employer's Contribution to Provident Fund and Family Pension Fund	19.96	13.34	12.63
Employer's Contribution to Employees' State Insurance Scheme	2.31	2.26	2.13
	22.27	**15.60**	**14.76**

b. Defined benefit plan - Gratuity

The Group operates single type of Gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the Restated Consolidated Statement of Profit and Loss Account and the funded status and amounts recognized in the Restated Consolidated Statement of Assets and Liabilities for the respective plans.

Particulars	31 March 2023	31 March 2022	31 March 2021
i) Changes in present value of defined benefit obligation during the year:			
Opening defined benefit obligation	28.07	26.02	24.71
Interest cost	1.93	1.70	1.62
Current service cost	7.89	7.57	8.28
Benefits paid directly from employer	(1.90)	(0.81)	(2.96)
Due to change in demographic	-	0.01	-
Due to change in financial assumptions	(1.35)	(0.76)	(0.02)
Due to experience	(1.09)	(5.66)	(5.61)
Closing defined benefit obligation	**33.55**	**28.07**	**26.02**

Particulars	31 March 2023	31 March 2022	31 March 2021
ii) Changes in fair value of plan assets during the year:			
Opening fair value of planned assets	11.11	10.42	9.70
Interest income	0.76	0.67	0.64
Contributions by employer	0.12	-	0.46
Benefits paid	(0.12)	-	(0.46)
Return on plan assets, excluding interest income	(0.21)	0.02	0.08
Closing fair value of plan assets	**11.66**	**11.11**	**10.42**

Particulars	31 March 2023	31 March 2022	31 March 2021
iii) Net (asset)/liability recognized in the Restated Consolidated Statement of Assets and Liabilities:			
Present value of benefit obligation at the end of the year	(33.55)	(28.07)	(26.02)
Fair value of plan assets at the end of the year	11.66	11.11	10.42
Net (asset)/liability recognized in the Restated Consolidated Statement of Assets and Liabilities	(21.89)	(16.96)	(15.60)
Net liabilities – current (refer note 17)	11.32	10.56	6.96
Net liabilities – non current (refer note 17)	10.57	6.40	8.64

Particulars	31 March 2023	31 March 2022	31 March 2021
iv) Expenses recognized in the Restated Consolidated Statement of Profit and Loss Account for the year:			
Current service Cost	7.89	7.57	8.28
Net interest Cost	1.17	1.02	0.98
Expenses recognized in the Restated Consolidated Statement of Profit and Loss Account	**9.06**	**8.59**	**9.26**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	31 March 2023	31 March 2022	31 March 2021
v) Recognized in Restated Other Comprehensive Income for the year:			
Actuarial (gains)/losses on obligations			
Due to change in demographic	-	0.01	(0.00)
Due to change in financial assumptions	(1.35)	(0.76)	(0.11)
Due to experience	(1.09)	(5.66)	(5.52)
Return on plan assets, excluding interest income	0.21	(0.02)	(0.08)
Net (income)/expense for the period recognized in Restated Other Comprehensive income	**(2.23)**	**(6.43)**	**(5.71)**

Particulars	31 March 2023	31 March 2022	31 March 2021
vi) Actuarial assumptions			
Expected return on plan assets	7.40%	6.87%	6.52%
Rate of discounting	7.40%	6.87%	6.52%
Rate of salary increase	9.71%	9.71%	9.71%
Rate of employee turnover	9.71%	9.71%	9.71%

Particulars	31 March 2023	31 March 2022	31 March 2021
vii) Maturity profile of defined benefit obligation:			
1st following year	2.54	1.91	1.54
2nd following year	2.39	1.98	2.07
3rd following year	2.70	2.12	1.87
4th following year	2.73	2.75	2.54
5th following year	3.92	2.30	2.56
Sum of years 6 to 10	17.08	14.37	12.54
Sum of years 11 and above	37.43	30.20	27.62

Particulars	31 March 2023	31 March 2022	31 March 2021
viii) Restated Consolidated Statement of Assets and Liabilities:			
Opening net liability	16.96	15.61	15.01
Expenses recognized in Restated Consolidated Statement of Assets and Liabilities	9.06	8.59	9.26
Expenses recognized in Restated Other Comprehensive Income	(2.24)	(6.43)	(5.71)
Net liability/(asset) transfer in	-	-	1.78
Net (liability)/asset transfer out	-	-	(1.78)
Benefit paid directly by the employer	(1.77)	(0.81)	(2.49)
Employer's contribution	(0.12)	-	(0.46)
Net liability/(asset) recognized in the Restated Consolidated Statement of Assets and Liabilities	**21.89**	**16.96**	**15.61**

Particulars	31 March 2023	31 March 2022	31 March 2021
ix) Category of assets:			
Insurance fund	11.68	11.11	10.41

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plan is particularly sensitive to are discount rate and salary growth rate. The following table summarises the impact on the reported defined benefit obligation at the end of the year arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	31 March 2023	31 March 2022	31 March 2021
Defined Benefit Obligation on Current Assumptions	33.55	28.07	26.02
Delta Effect of +1% Change in Rate of Discounting	(4.85)	(4.20)	(3.94)
Delta Effect of -1% Change in Rate of Discounting	5.48	4.63	4.37
Delta Effect of +1% Change in Rate of Salary Increase	5.26	4.52	4.31
Delta Effect of -1% Change in Rate of Salary Increase	(4.73)	(4.05)	0.26
Delta Effect of +1% Change in Rate of Employee Turnover	(3.30)	(2.88)	(2.75)
Delta Effect of -1% Change in Rate of Employee Turnover	3.52	3.05	2.96

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Restated Consolidated Statement of Assets and Liabilities.

The weighted average duration of the defined benefit obligation as at 31 March 2023 is 9 years (As at 31 March 2022: 10 years and 31 March 2021: 10 years)

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Compensated absences			
-Current (refer note 17)	3.68	0.46	0.67
-Non-current (refer note 17)	-	3.75	5.33
	3.68	**4.21**	**6.00**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Note No.	Particulars
37	**Additional information pursuant to schedule III of the Companies Act 2013**

Name of the entity	31 March 2023							
	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Stanley Lifestyles Limited	81.32%	1,819.89	24.91%	87.11	95.67%	1.60	25.24%	88.71
Subsidiaries								
Stanley Retail Limited	22.01%	492.64	38.11%	133.31	15.55%	0.26	38.01%	133.57
Stanley OEM Sofas Limited	2.98%	66.76	-1.74%	(6.08)	49.28%	0.82	-1.50%	(5.26)
ABS Seating Private Limited	5.83%	130.48	15.13%	52.92	-6.58%	(0.11)	15.03%	52.81
Step Down Subsidiaries								
Shrasta Décor Private Limited	4.14%	92.55	2.19%	7.65	-8.38%	(0.14)	2.14%	7.51
Sana Lifestyles Limited	1.43%	31.90	2.39%	8.36	-11.96%	(0.20)	2.32%	8.16
Staras Seating Private Limited	4.52%	101.08	5.71%	19.96	-32.89%	(0.55)	5.52%	19.41
Scheek Home Interiors Limited	-0.94%	(20.96)	-1.61%	(5.63)	0.00%	-	-1.60%	(5.63)
Subtotal	**121.28%**	**2,714.34**	**85.09%**	**297.60**	**100.69%**	**1.68**	**85.16%**	**299.28**
Adjustment arising out of consolidation	-24.55%	(549.32)	8.90%	31.15	5.89%	0.10	8.89%	31.25
Non controlling interest	3.26%	72.97	6.01%	21.02	-6.58%	(0.11)	5.95%	20.91
Total	**100.00%**	**2,237.99**	**100.00%**	**349.77**	**100.00%**	**1.67**	**100.00%**	**351.44**

Name of the entity	31 March 2022							
	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated net profit/ (loss)	Amount
Parent								
Stanley Lifestyles Limited	92.13%	1,894.24	40.91%	94.98	81.88%	3.94	41.74%	98.92
Subsidiaries								
Stanley Retail Limited	17.32%	356.11	25.71%	59.69	18.29%	0.88	25.56%	60.57
Stanley OEM Sofas Limited	3.50%	71.93	7.54%	17.50	-6.44%	(0.31)	7.25%	17.19
ABS Seating Private Limited	3.77%	77.42	14.13%	32.81	3.95%	0.19	13.92%	33.00
Step Down Subsidiaries								
Shrasta Décor Private Limited	4.14%	85.04	6.44%	14.96	-0.21%	(0.01)	6.31%	14.95
Sana Lifestyles Limited	1.15%	23.65	2.08%	4.83	0.42%	0.02	2.05%	4.85
Staras Seating Private Limited	3.94%	80.98	12.83%	29.78	2.91%	0.14	12.62%	29.92
Scheek Home Interiors Limited	-0.75%	(15.33)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Subtotal	**125.20%**	**2,574.04**	**109.64%**	**254.54**	**100.80%**	**4.85**	**109.44%**	**259.39**
Adjustments arising out of consolidation	-28.04%	(576.49)	-17.69%	(41.05)	-2.29%	(0.11)	-17.36%	(41.16)
Non controlling interest	2.84%	58.47	8.05%	18.70	1.45%	0.07	7.92%	18.77
Total	**100.00%**	**2,056.02**	**100.00%**	**232.19**	**99.96%**	**4.81**	**100.00%**	**237.00**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Name of the entity	31 March 2021							
	Net assets (total assets minus total liabilities)		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated net profit/ (loss)	Amount
Parent								
Stanley Lifestyles Limited	98.37%	1,845.32	-66.94%	(12.87)	60.66%	2.59	-43.75%	(10.28)
Subsidiaries								
Stanley Retail Limited	5.09%	95.55	-22.21%	(4.27)	15.69%	0.67	-15.32%	(3.60)
Stanley OEM Sofas Limited	2.92%	54.74	50.92%	9.79	16.63%	0.71	44.69%	10.50
ABS Seating Private Limited	2.37%	44.42	93.57%	17.99	5.62%	0.24	77.58%	18.23
Step Down Subsidiaries								
Shrasta Décor Private Limited	2.69%	50.39	17.89%	3.44	3.98%	0.17	15.36%	3.61
Sana Lifestyles Limited	1.00%	18.80	18.98%	3.65	1.41%	0.06	15.79%	3.71
Staras Seating Private Limited	2.72%	51.06	35.26%	6.78	1.87%	0.08	29.20%	6.86
Scheek Home Interiors Limited	-0.82%	(15.32)	-0.06%	(0.01)	0.00%	-	-0.05%	(0.01)
Subtotal	**114.34%**	**2,144.96**	**127.41%**	**24.50**	**105.86%**	**4.52**	**123.50%**	**29.02**
Adjustments arising out of consolidation	-16.83%	(315.64)	-73.81%	(14.19)	-8.91%	(0.38)	-62.02%	(14.57)
Non controlling interest	2.49%	46.62	46.40%	8.92	3.05%	0.13	38.52%	9.05
Total	**100.00%**	**1,875.94**	**100.00%**	**19.23**	**100.00%**	**4.27**	**100.00%**	**23.50**

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

38 Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Stanley Retail Limited (SRL) Stanley OEM Sofas Limited (SOSL) ABS Seating Private Limited (ABS)
Step-down Subsidiaries	Staras Seating Private Limited Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited
Description of relationship	**Names of related parties**
Key Management Personnel (KMP)	Mr. Sunil Suresh - Managing Director Ms. Shubha Sunil- Whole Time Director Mr. Srinath Srinivasan- Director Mr. Sagarvasude Venkatesh Kamath - Director (up to 21 June 2023) Mr. Vishal Verma - Director (w.e.f. 3 March 2022) Mr. Girish Nandkarni-Independent Director (w.e.f. 7 April 2022) Mr. John Douglas Collier- Director (up to 11 April 2022) Mr. Satish Chavva- Director (up to 3 March 2022) Mr. Peruvamba Subramaniam Jagdish - Director (up to 6 September 2022) Mr. Srikanth Murthy - Director (up to 15 April 2022) Mr. Kiran Bhanu Vuppalapati (Head of OEM Business) Mr. Pradeep Mishra - Group Chief Financial Officer (w.e.f. 16 November 2022) Mr. Akash Shetty - Group Company Secretary (w. e. f. 11 April 2022) Mr. Jitesh Bansal - Group Company Secretary (up to 31 May 2020) Mr. Rajagopal Sethuraman - Group CFO (up to March 2021) Mrs. Sonakshi Sunil - (Director of Sana Lifestyles Limited, w.e.f. 9 November 2021) Mr. Yusuf Merchant Abdullah - (Director of Staras Seating Private limited) Mr. Rohit Krishna - (Director of Scheek Home Interiors Limited) Mr. Rajesh Manghnani - (Director of Shrasta Décor Private Limited) Ms. Sharmila Manghani - (Director of Shrasta Décor Private Limited) Mr. Bhupinder Singh Chawla - (Director of ABS Seating Private Limited) Mr. Haneet Singh Chawla - (Director of ABS Seating Private Limited) Mr. Saleem Khan - Director (Up to 30 November 2021) Mr. Muniramaiah Chennampalli - (CFO of Stanley Retail Limited, w.e.f. 15 February 2022)
Relative of Key Management Personnel (KMP)	Ms. Rupinder Chawla - Relative of KMP (Wife of Mr. Haneet Singh Chawla) Ms. Suchit Kaur Chawla - Relative of KMP (Cousin of Mr. Haneet Singh Chawla) Mr. Dhanish Manghnani - Relative of KMP (Son of Mr. Rajesh Manghnani)
Entities in which KMP / Relatives of KMP can exercise significant influence	Stanley Automotive Leather Trims Limited SaaS Kitchens Stanley Estate & Leisure Seating World Design eight (D8) S-Square Leisure Private Limited Fusion Mont Foods & Beverages ARI Music Private Limited Alodous Design Eight Private Limited

38.1 Particular of transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Sass Kitchens	**Entities in which KMP can exercise significant influence**			
Sales		-	2.30	1.90
Reimbursement of expenses		-	0.07	0.10
Stanley Estates and Leisure	**Entities in which KMP can exercise significant influence**			
Sales		0.33	0.10	21.20
Reimbursement of expenses		0.42	0.10	-
Purchase		0.18	0.35	-
Advertisement & Business Promotion expenses		-	-	0.10

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Seating World	**Entities in which KMP can exercise significant influence**			
Sales		2.68	6.87	0.65
Purchases		27.37	7.64	0.34
Reimbursement of statutory payment		-	0.34	-
Reimbursement paid for expenses		0.39	-	-
Design Eight(8)	**Entities in which KMP can exercise significant influence**			
Purchase		24.13	54.81	0.46
Sales		-	1.53	0.39
Reimbursement of expenses		7.67	20.18	0.18
Reimbursement paid for statutory payments		25.86	0.53	-
Design Eight Private Limited	**Entities in which KMP can exercise significant influence**			
Purchase		52.98	20.85	2.27
Sales		-	0.95	0.07
Reimbursement paid for statutory payments		-	0.81	-
Capital advance		5.00	-	-
Sunil Suresh	**Key Managerial Personnel**			
Salary / Perquisites		18.27	14.00	8.40
Dividend		51.52	16.80	-
Royalty		10.17	10.40	12.22
Sales		0.23	0.90	2.20
Shubha Sunil	**Key Managerial Personnel**			
Salary / Perquisites		19.54	15.10	8.30
Dividend		51.52	16.80	-
Sales		-	30.00	10.70
Advance received		-	-	0.50
Sonakshi Sunil	**Relative of Key Managerial Personnel**			
Salary / Perquisites		0.24	0.60	0.30
Yusuf Merchant Abdullah	**Key Managerial Personnel**			
Salary / Perquisites		3.96	3.25	2.70
Rajesh Manghnani	**Key Managerial Personnel**			
Salary / Perquisites		1.80	1.80	1.61
Loan received during year		23.93	-	-
Sharmila Manghnani	**Key Managerial Personnel**			
Salary / Perquisites		1.80	1.80	1.61
Loan received during year		23.92	-	-
Haneet Singh Chawla	**Key Managerial Personnel**			
Salary / Perquisites		1.68	1.60	1.27
Suchit Kaur Chawla	**Relative of Key Managerial Personnel**			
Salary / Perquisites		-	-	0.38
Rupinder Chawla	**Relative of Key Managerial Personnel**			
Salary / Perquisites		1.38	1.10	0.70
Mr. Kiran Bhanu Vuppalapati	**Key Managerial Personnel**			
Salary / Perquisites		-	6.20	5.20
Dividend		-	1.90	-
Aldous	**Entity having the significant influence**			
Purchases		1.78	-	-
Saleem Khan	**Key Managerial Personnel**			
Salary / Perquisites		-	1.30	-
Advance for Salaries		-	-	0.40

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Mr. Rajagopal Sethuraman	**Key Managerial Personnel**			
Salary / Perquisites		-	-	6.80
Pradeep Mishra	**Key Managerial Personnel**			
Salary / Perquisites		2.76	-	-
Dhanish Manghnani	**Relative of Key Managerial Personnel**			
Salary / Perquisites		1.80	0.60	-
Muniramaiah Chennampalli	**Key Managerial Personnel**			
Salary / Perquisites		2.70	2.70	-
Jitesh Bansal	**Key Managerial Personnel**			
Salary / Perquisites		-	-	0.11
Akash Shetty	**Key Managerial Personnel**			
Salary / Perquisites		1.12	0.10	-
Mr. Srinath Srinivasan	**Key Managerial Personnel**			
Director sitting fees		0.22	0.03	0.12
Mr. Sagarvasude Venkatesh Kamath	**Key Managerial Personnel**			
Director sitting fees		0.24	0.04	-
Mr. Vishal Verma	**Key Managerial Personnel**			
Director sitting fees		0.20	-	-
Mr. Girish Nandkarni-Independent Director	**Key Managerial Personnel**			
Director sitting fees		0.16	-	-
Mr. John Douglas Collier	**Key Managerial Personnel**			
Director sitting fees		-	-	0.12
Mr. Satish Chavva	**Key Managerial Personnel**			
Director sitting fees		-	0.04	0.12
Mr. Peruvamba Subramaniam Jagdish	**Key Managerial Personnel**			
Director sitting fees		-	0.04	0.12
Mr. Srikanth Murthy	**Key Managerial Personnel**			
Director sitting fees		-	0.04	0.12

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

38.2 Balances outstanding as at year end

Particulars	Account	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Sass Kitchens	Advance to Suppliers	0.40	0.40	0.40
	Trade Receivables	6.40	6.40	6.40
Stanley Estates and Leisure	Trade Receivables	1.28	18.00	21.10
Seating World	Trade Receivables	-	0.42	1.23
	Trade payable	5.50	-	-
Design Eight (8)	Advance to Suppliers	-	9.21	-
M/s ARI Music Private Limited	Trade payables	-	0.25	0.25
Design Eight Private Limited	Trade Payables	21.87	13.40	-
	Advance to supplier	0.41	0.11	-
	Trade Receivables	0.41	-	-
	Capital advance	5.00	-	-
Sunil Suresh	Trade Payables	4.19	2.10	0.30
	Trade Receivables	2.83	2.70	0.10
Shubha Sunil	Trade Payables	1.65	0.70	0.20
	Trade Receivables	4.64	2.30	-
Sonakshi Sunil	Trade Payables	-	0.10	-
Kiran Bhanu Vuppalapati	Trade Receivables	-	0.10	0.10
	Trade Payables	-	-	0.20
Rajesh Manghani	Trade Payables	0.14	0.12	0.15
	Borrowings	23.93	-	-
Muniramaiah Chennampalli	Trade Payables	0.23	0.23	-
Akash Shetty	Trade Payables	0.09	0.09	-
Sharmila Manghani	Deposit amount paid recoverable	-	1.50	-
	Trade Payables	0.15	0.12	0.15
	Borrowings	23.92	-	-
Yusuf Merchant Abdullah	Trade Payables	0.33	0.26	0.30
Haneet Singh Chawla	Trade Payables	0.88	0.10	0.10
Rupinder Chawla	Trade Payables	1.25	0.10	0.10
Saleem Khan	Salary Payable	-	-	0.40
Stanley Retail Limited	Corporate Guarantee	200.60	-	-
Stanley OEM Sofas Limited	Corporate Guarantee	170.00	-	-
Sunil Suresh & Subha Sunil	Joint guarantee	-	150.00	150.00

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year ended 31 March 2023, 31 March 2022 and 31 March 2021

38.3 Transaction by the Stanley Lifestyles Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Stanley Retail Limited Stanley OEM Sofas Limited ABS Seating Private Limited
Step-down Subsidiaries	Staras Seating Private Limited Sana Lifestyles Limited Scheek Home Interiors Limited Shrasta Décor Private Limited

B Particulars of Transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Retail Limited	Subsidiary			
Sales		1,085.10	735.80	548.40
Cross charge expenses		107.27	127.14	78.60
Purchases		5.10	0.20	4.80
Recovery of expenses		3.52	0.29	0.70
Reimbursement of Expenses		-	1.18	0.70
Loan		43.00	86.50	30.50
Interest on loan		0.06	5.80	9.00
Received for unbilled revenue		-	42.41	-
Investment made during the year		16.60	200.00	-
Transfer of gratuity liabilities on transfer of employees		-	-	1.80
Transfer of leave encashment liabilities on transfer of employees		-	-	0.20
Stanley OEM Sofas Limited	Subsidiary			
Sales		69.80	57.95	46.66
Cross charge expenses		14.08	10.65	5.08
Purchases		6.62	2.02	25.28
Recovery of expenses		-	16.30	3.32
Rental deposit received		0.00	15.00	-
Reimbursement of Expenses		-	0.07	0.48
Interest on loan		8.80	6.17	5.76
Rental Income		15.70	-	-
Sana Lifestyles Limited				
Sales	Step-down Subsidiary	35.09	27.80	31.94
Reimbursement of expenses		0.25	-	-
Shrasta Décor Private Limited	Step-down Subsidiary			
Sales		200.20	119.87	91.39
Purchases		-	-	0.27
Reimbursement of expenses		1.02	-	-
ABS Seating Private Limited	Subsidiary			
Sales		144.33	103.19	9.39
Staras Seating Private Limited	Step-down Subsidiary			
Sales		155.25	144.96	8.59
Purchases		-	0.03	0.61

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31-03-2021
ABS Seating Private Limited	Subsidiary			
Trade receivables		-	-	2.92
Advance from customers		10.93	9.90	-
Staras Seating Private Limited	Step-down Subsidiary			
Advance received		6.57	6.54	24.07
Stanley OEM Sofas Limited	Subsidiary			
Trade receivables		30.55	97.08	29.28
Rental deposit received		15.00	15.00	-
Loans and advances		100.00	102.90	101.98
Stanley Retail Limited	Subsidiary			
Trade receivables		270.80	198.57	202.00
Loans and advances		-	43.00	129.50
Rental deposit received		4.05	-	-
Sana Lifestyles Limited	Step-down			
Advance received	Subsidiary	0.19	6.98	4.84
Scheek Home Interiors Limited	Step-down			
Trade receivables	Subsidiary	20.63	20.63	20.63
Shrasta Décor Private Limited	Step-down			
Trade receivables	Subsidiary	95.15	50.80	13.53

38.4 Transaction by the Stanley Retail Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Holding Company	Stanley Lifestyles Limited
Subsidiaries	Sana Lifestyles Limited Scheek Home Interiors Limited Staras Seating Private Limited Shrasta Décor Private Limited
Fellow subsidiaries	ABS Seating Private Limited Stanley OEM Sofas Limited

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

B Particulars of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Holding company			
Sales		5.10	0.20	4.80
Other Income		-	-	-
Purchases		1,085.10	735.80	548.40
Cross charge expenses		107.27	127.14	78.60
Recovery of expenses		-	1.18	0.70
Reimbursement of Expenses		3.52	0.29	0.70
Loan repaid		43.00	86.50	30.50
Transfer of gratuity liabilities on transfer of employees		-	-	1.80
Transfer of leave encashment liabilities on transfer of employees		-	-	0.20
Interest on loan		0.06	5.80	9.00
Paid for Unbilled revenue		-	42.41	-
Capital infusion		16.60	200.00	-
ABS Seating Private Limited	Fellow Subsidiary			
Sales		9.29	12.73	2.90
Purchases		-	0.02	2.30
Cross charge expenses		1.99	1.50	1.90
Recovery of expenses		0.04	0.18	0.30
Reimbursement of income		0.23	0.20	0.50
Staras Seating Private Limited				
Sales	Subsidiary	12.85	17.06	5.56
Other Income		0.11	-	-
Cross charge expenses		1.99	1.76	1.87
Reimbursement of Expense		5.00	0.52	1.36
Sana Lifestyles Limited	Subsidiary			
Sales		5.90	4.91	5.94
Purchases		-	-	1.72
Reimbursement of Income		-	4.60	-
Recovery of expenses		-	5.00	0.99
Cross charge expenses		0.34	-	-
Statutory Expenses		-	3.23	0.64
Stanley OEM Sofas Limited	Fellow Subsidiary			
Purchases		182.30	100.66	39.20
Reimbursement of expenses		-	0.03	-
Cross charge expenses				
Shrasta Décor Private Limited	Subsidiary			
Sales		58.82	32.86	8.94
Cross charge expenses		1.43	0.75	0.93
Purchases		0.10	1.69	0.10
Recovery of expenses		-	0.16	0.44
Statutory Expenses		-	9.81	7.87
Collection of customer payment		-	0.01	-
Interest Cost		3.69	0.89	-
Borrowings		20.70	40.00	-

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Holding Company			
Rental deposit		4.05	-	-
Capital Introduced during the year		16.60	200.00	-
Trade payables		270.80	198.57	202.00
Short term borrowings		-	43.00	129.50
ABS Seating Private Limited	Fellow Subsidiary			
Trade payables		0.82	0.30	1.77
Staras Seating Private Limited	Subsidiary			
Advance from customers		-	3.67	0.14
Trade receivables		4.27	-	-
Sana Lifestyles Limited	Subsidiary			
Advance from customers		0.44	4.76	0.72
Stanley OEM Sofas Limited	Fellow Subsidiary			
Trade Payables		-	2.95	-
Advance to supplier		0.32	-	-
Shrasta Décor Private Limited	Subsidiary			
Trade receivables		21.31	6.09	0.07
Loan		48.92	20.66	-
Scheek Home Interiors Limited	Subsidiary			
Advance from customers		0.12	0.12	0.12

38.5 Transaction by the Stanley OEM Lifestyle Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Holding Company	Stanley Lifestyles Limited
Fellow subsidiaries	Stanley Retail Limited Scheek Home Interiors Limited ABS Seating Private Limited Shrasta Décor Private Staras Seating Private Limited

B Particulars of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Holding company			
Sales		6.62	2.02	25.28
Purchases		69.80	57.95	46.66
Cross charge expenses		14.08	10.65	5.08
Reimbursement of expenses		-	16.30	3.32
Rental deposit paid		-	15.00	-
Interest on loan borrowed		8.80	6.17	5.76
Recovery of expenses		-	0.07	0.48
Rental Expenses		15.70	-	-
Stanley Retail Limited	Fellow subsidiary			
Sales		182.30	100.66	39.20
Cross charge expenses		-	0.03	-
Shrasta Décor Private limited	Fellow subsidiary			
Sales		-	-	0.98
ABS Seating Private Limited	Fellow Subsidiary			
Sales		-	0.10	1.39
Purchases		-	0.20	-
Staras Seating Private Limited	Fellow subsidiaries			
Sales		-	-	0.37
Recovery of expense		-	-	0.02

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Holding Company			
Trade Payables		30.55	97.08	29.28
Long term borrowings		100.00	102.90	101.98
Deposits given		15.00	15.00	-
Advances Received				
Stanley Retail Limited	Fellow Subsidiary			
Advances from customer		0.32	-	-
Trade receivables		-	2.95	-
Staras Seating's Private Limited	Fellow Subsidiary			
Trade Payables		0.56	-	-

38.6 Transaction by the Shastra Décor Private Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Stanley Lifestyles Limited
Holding Company	Stanley Retail Limited
Fellow subsidiaries	Stanley OEM Sofas Limited Scheek Home Interiors Limited ABS Seating Private Limited Sana Lifestyles Limited Staras Seating Private Limited

B Particulars of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Ultimate Holding Company			
Sales		-	-	0.27
Purchases		200.20	119.87	91.39
Reimbursement of expenses		1.02	-	-
Stanley Retail Limited	Holding company			
Sales		0.10	1.69	0.10
Purchases		58.82	32.86	8.94
Cross charge expenses		1.43	0.75	0.93
Reimbursement of expenses		-	0.16	0.44
Reimbursement of Statutory payments		-	9.81	7.87
Collection of customer payment		-	0.01	-
Interest Cost		3.69	0.89	-
Borrowings		20.70	40.00	-
Stanley OEM Sofas Limited	Fellow subsidiary			
Purchases		-	-	0.98

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Ultimate Holding			
Trade payables	Company	95.15	50.80	13.53
Stanley Retail Limited	Holding Company			
Trade payables		21.31	6.09	0.07
Borrowings		48.92	20.66	-
Scheek Home Interiors Limited				
Trade Receivables	Fellow subsidiary	0.55	0.55	0.55

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

38.7 Transaction by the Sana Lifestyle Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Stanley Lifestyles Limited
Holding Company	Stanley Retail Limited
Fellow subsidiaries	Stanley OEM Sofas Limited ABS Seating Private Limited Staras Seating Private Limited Scheek Home Interiors Limited Shrasta Décor Private Limited

B Particulars of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Ultimate Holding Company			
Purchases		35.09	27.80	31.94
Reimbursement of expenses		0.25	-	-
Stanley Retail Limited	Holding Company			
Purchases		5.90	4.91	5.94
Recovery of expenses		-	5.00	0.99
Statutory Payments		-	3.23	0.64
Cross charge expenses		0.34	4.60	-
Sales		-	-	1.72

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Holding Company			
Advances given		0.19	6.98	4.84
Stanley Retail Limited	Fellow Subsidiary			
Advances given		0.44	4.76	0.72

38.8 Transaction by the Staras Seating Private Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Stanley Lifestyles Limited
Holding Company	Stanley Retail Limited
Fellow subsidiaries	Stanley OEM Sofas Limited Scheek Home Interiors Limited ABS Seating Private Limited Sana Lifestyles Limited Shrasta Home Décor Private Limited

B Particular of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Ultimate Holding company			
Purchases		155.25	144.96	8.59
Sales		-	0.03	0.61
Stanley Retail Limited	Holding company			
Reimbursement of expenses		5.00	0.52	1.36
Purchases		12.85	17.06	5.56
Cross charge expense		1.99	1.76	1.87
Other expense		0.11	-	-
ABS Seating Private Limited	Fellow subsidiary			
Sales		0.61	-	-
Stanley OEM Sofas Limited	Fellow subsidiaries			
Purchase		-	-	0.37
Recovery of expense		-	-	0.02

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Ultimate Holding company			
Advances given		6.57	6.54	24.07
Stanley Retail Limited	Holding Company			
Trade Payables		4.27	-	-
Advance to suppliers		-	3.67	0.14
Stanley Oem Sofas Limited	Fellow subsidiary			
Trade receivables		0.56	-	-

38.9 Transactions by the ABS Seating Private Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Holding Company	Stanley Lifestyles Limited
Fellow subsidiaries	Stanley Retail Limited
	Stanley OEM Sofas Limited
	Staras Seating Private Limited
	Sana Lifestyles Limited
	Scheek Home Interiors Limited
	Shrasta Décor Private Limited

B Particulars of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Stanley Lifestyles Limited	Holding Company			
Purchases		144.33	103.19	9.39
Stanley Retail Limited	Fellow subsidiary			
Sales		-	0.02	2.30
Purchases		9.29	12.73	2.90
Cross charge expenses		1.99	1.50	1.90
Recovery of expenses		0.04	0.18	0.30
Reimbursement of income		0.23	0.20	0.50
Staras Seating Private Limited-Worli	Fellow subsidiary			
Purchases		0.61	-	-
M/s Stanley OEM Sofas Limited	Fellow subsidiary			
Purchases		-	0.10	1.39
Sales		-	0.20	-

C Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Lifestyles Limited	Holding Company			
Advance		10.93	9.90	-
Trade payable		-	-	2.92
Stanley Retail Limited	Fellow subsidiary			
Trade payables		0.82	0.30	1.77

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

38.10 Transaction by the Scheek Home Interiors Limited with other group companies

A Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Stanley Lifestyles Limited
Holding Company	Stanley Retail Limited
Fellow subsidiaries	Stanley OEM Sofas Limited Staras Seating Private Limited ABS Seating Private Limited Sana Lifestyles Limited Shrasta Home Décor Private Limited

B Balances as at year end

Particulars	Relationship	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Stanley Retail Limited	Holding Company			
Advance to suppliers		0.12	0.12	0.12
Stanley Lifestyles Limited	Ultimate Holding Company			
Trade Payables		20.63	20.63	20.63
Shrasta Decor Private Limited	Fellow subsidiary			
Trade Payables		0.55	0.55	0.55

39 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(i) Contingent liabilities:			
(a) Income tax (relating to disallowance of expenses/ deduction, expense claimed & adjustments) (refer note 2 below)	1.12	-	29.80
(b) Atria mall case (refer note 1 below)	26.34	26.34	26.34
(c) Others (relating to consumer complaints and other matters)	1.80	-	-
(d) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	7.88	-	-
(e) Capital Account contract with Interiocraft Private Limited (refer note 3 below)	2.68	-	-
(ii) Commitments:			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	25.72	-	-
(b) Corporate guarantee	-	-	-

Note:

1. M/s Alif Enterprises & Ors. have filed suit against the Group for non payment of rent, hoarding and other maintenance charges for the space allocated in 'Atria Mall' which amounts to Rs. 26.34 millions. The Group 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 favorably and hence there is no necessity to provide for any anticipated liability.

2. An order u/s 201(1) & 201A of the Income Tax Act, 1961 has been received invoking provision u/s 2(22)(e) of Income Tax Act, 1961 treating intercompany transactions as a deemed dividend. The demand is Rs 1.40 million and the Group has appealed against the same by remitting 20% i.e. Rs 0.28 million under dispute. In the financial ended 31 March 2022, the appeal has been allowed in the favor of the Group and subsequent to the year end, Group has applied for refund of Rs 0.28 million.

3. A sum of Rs. 2.68 Millions under litigation presently before " West District Legal Service Authority " pertaining to Capital Account contract with Interiocraft Private Limited". The Management is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.

40 Details of dues to micro and small enterprises as defined under the MSMED Act 2006 *

	Particulars	31 March 2023	31 March 2022	31 March 2021
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each			
	Principal amount due to micro and small enterprises	76.55	44.82	4.71
	Interest due on above	2.46	1.61	1.11
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006;	-	-	-
d	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	2.46	1.61	1.11
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-	-

* There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days at the Restated Consolidated Statement of Assets and Liabilities date. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors.

41 Foreign currency risk exposure as at Restated Consolidated Statement of Assets and Liabilities:

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Amount in Millions	Amount in foreign currency in Millions	Amount in Millions	Amount in foreign currency in Millions	Amount in Rs Millions	Amount in foreign currency in Millions
Advance to suppliers						
USD	17.95	0.22	17.91	0.24	20.53	0.28
EURO	10.35	0.12	12.80	0.15	31.40	0.37
GBP	-	-	1.01	0.01	0.72	0.01
AED	-	-	0.00	0.00	-	-
NOK	-	-	1.64	0.23	1.64	0.19
JPY	2.08	3.37	7.79	11.51	-	-
Trade payables						
USD	(19.43)	(0.24)	(17.70)	(0.24)	(59.43)	(0.81)
EURO	(33.83)	(0.38)	(56.93)	(0.68)	(34.06)	(0.40)
YEN	-	-	(8.96)	(12.78)	(1.34)	(2.02)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Payables- Foreign currency /Rs.			
Increase in Rs.	(0.23)	(0.42)	(0.41)
Decrease in Rs.	0.23	0.42	0.41

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

42 Segment information

The primary reporting of the Group has been made on the basis of Business Segments. The Group has a single business segment as defined in Indian Accounting Standard (Ind AS) 108 on Segment Reporting, namely business of manufacturing and trading of furniture and leather products. The Managing Director of the group allocates and assess the performance of the Group and is the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment need to be considered.

43 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2023	31 March 2022	31 March 2021
Profit attributable to owners of the Parent	328.75	213.49	10.31
Net profit for calculation of basic and diluted EPS	328.75	213.49	10.31
	No. of shares	No. of shares	No. of shares
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share- refer note 54)			
- No of equity share as at 31 March	7,371,024	7,371,024	7,371,024
- No of split equity share	36,855,120	36,855,120	36,855,120
- No of bonus equity share	14,742,048	14,742,048	14,742,048
Total weighted average number of equity share	51,597,168	51,597,168	51,597,168
Weighted average number of equity shares in calculating diluted EPS (Split and Bonus share- refer note 54)	51,597,168	51,597,168	51,597,168
Basic earning per share (in Rs.)	6.37	4.14	0.20
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share- refer note 54)	51,597,168.00	51,597,168.00	51,597,168.00
Weighted average share under Employee Stock Options	41,227.00	-	-
Weighted average share at average market price	(10,402.78)	-	-
Dilutive earning per share (in Rs.)	6.37	4.14	0.20

44 Provision for warranties

The Group has given warranties on various ranges of furniture, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as on 31 March 2023, 31 March 2022 and 31 March 2021 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Balance as at the beginning of the year	9.80	7.58	7.55
Add: Charge for the year (refer note 30)	2.58	2.22	0.03
Less: Utilised during the year	-	-	
Balance as at the year end	**12.38**	**9.80**	**7.58**
Current portion (refer note 17)	12.38	9.80	7.58
Non-current portion	-	-	-

45 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 1090.62 Millions (As at 31 March 2022 Rs. 500.00 Millions, 31 March 2021: Rs Nil) are secured by first pari-passu charge on all the hypothecation of inventory, receivables, book debts and other current assets (present and future) and second pari-passu charge on hypothecation on unencumbered plant, machinery and equipment's, electrical works, corporate guarantee by Stanley Lifestyles Limited, Parent Company (31 March 2022 and 31 March 2021: personnel guarantee of Mr. Sunil Suresh and Mrs. Shubha Sunil) and lien on bank deposit of Rs. 150.00 million (31 March 2021: Rs 120 million).

The monthly statements of receivables, payables, inventories and sales filed with the banks against the borrowings obtained by the Group are in agreement with the books of account other than below:

Month	Bank name	Sanctioned amount	Nature of assets	As per unaudited books of accounts	Amount as per quarterly returns and statements	Amount of difference	Reason
Jun-22	SBI Bank (SLL)	1,090.62	Trade receivables	533.50	533.70	(0.20)	Monthly closure entries
			Trade payables	317.90	317.18	0.72	
Sep-22	HDFC Bank (SRL)	1,090.62	Advance to suppliers	55.54	55.62	(0.08)	Monthly closure entries
Dec-22	HDFC Bank (SOSL)	1,090.62	Trade receivables	49.45	49.44	0.01	Monthly closure entries
			Trade payables	38.93	38.95	(0.02)	
Mar-23	SBI Bank (SOSL and SLL)	1,090.62	Inventory	499.47	499.22	0.25	Monthly closure entries
	HDFC Bank (SOSL)		Trade receivables	63.35	63.36	(0.01)	

Notes:
1) Stock-in-transit is not considered for the purpose of filling out the statement to the bank.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

46 Registration or satisfaction of charge

The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except below:

Particulars	Type of charges	Location of registrar	Period (in Days)	Date of creation	Date of modification	Modified value	Reason
SBI Charge by (SLL)	1. Equipment machinery 2. Inventories 3. Trade receivable 4. Trade payable 5. Current assets	Bengaluru	30 days	29 June 2009	13 February 2023	500.00	Technical issue in the MCA portal
ICICI Charge	1. Equipment machinery 2. Inventories 3. Trade receivable 4. Trade payable 5. Current assets	Bengaluru	30 days	12 April 2023	-	220.00	Technical issue in the MCA portal

47 Significant accounting ratios

a. The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022:

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	% of change	Reason
Current ratio	Current assets	Current liabilities	2.18	2.23	-2.43%	-
Debt- equity ratio	Total debt[1]	Shareholder's equity	0.68	0.63	7.14%	-
Debt- service coverage ratio	Earnings available	Debt service[3]	2.86	2.88	-0.56%	-
Return on equity ratio	Net profits after taxes	Average shareholder's equity	16.29%	11.81%	37.94%	Refer note (a) below
Inventory turnover ratio	Cost of goods sold	Average inventory	1.71	1.35	26.37%	Refer note (b) below
Trade receivables turnover ratio	Revenue from operations[4]	Average trade receivable	23.61	17.76	32.94%	Refer note (c) below
Trade payables turnover ratio	Total purchase[5]	Average trade payables	6.28	4.89	28.42%	Refer note (d) below
Net capital turnover ratio	Revenue from	Working capital[6]	3.41	2.30	48.19%	Refer note (c) below
Net profit ratio	Net Profit after taxes	Revenue from operations[4]	8.35%	7.95%	5.06%	-
Return on capital employed	Earning before	Capital employed[7]	16.63%	12.90%	28.88%	Refer note (f) below
Return on investment	Income generated from investments	Weighted average Investments	NA	NA	-	-

[1] Debt includes current and non current portion of lease liabilities.

[2] Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plantand equipment, etc.

[3] Debt service includes interest & lease payments.

[4] Revenue from operations means gross credit sales after deducting sales return.

[5] Total purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

[6] Working capital is calculated by deducting current liabilities from current assets.

[7] Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset

Explanations for variances change more than 25%:

(a) Increase in turnover and profit of the Group during the year has resulted in movement in this ratio.
(b) Increase in inventory and cost of goods sold of the Group during the year has resulted in movement in this ratio.
(c) Increase in turnover of the Group during the year has resulted in movement in this ratio.
(d) Increase in purchase of the Group during the year has resulted in movement in this ratio.
(e) Increase in profit of the Group during the year has resulted in movement in this ratio.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

b. The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021:

Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% of change	Reason
Current ratio	Current assets	Current liabilities	2.23	2.73	-18.08%	-
Debt- equity ratio	Total debt[1]	Shareholder's equity	0.63	0.47	35.22%	Refer note (i) below
Debt- service coverage ratio	Earnings available for debt service[2]	Debt service[3]	2.88	1.54	87.10%	Refer note (ii) below
Return on equity ratio	Net profits after taxes	Average shareholder's equity	11.81%	1.03%	1045.07%	Refer note (iii) below
Inventory turnover ratio	Cost of goods sold	Average inventory	1.35	1.07	25.81%	Refer note (iv) below
Trade receivables turnover ratio	Revenue from operations[4]	Average trade receivable	17.76	15.12	17.47%	-
Trade payables turnover ratio	Total purchase[5]	Average trade payables	4.89	2.97	64.42%	Refer note (v) below
Net capital turnover ratio	Revenue from operations[4]	Working capital[6]	2.30	1.48	56.02%	Refer note (iii) below
Net profit ratio	Net Profit after taxes	Revenue from operations[4]	7.95%	0.98%	709.11%	Refer note (vi) below
Return on capital employed	Earning before interest and taxes	Capital employed[7]	12.90%	5.52%	133.84%	Refer note (vii) below
Return on investment	Income generated from investments	Weighted average Investments	NA	NA	-	-

[1] Debt includes current and non current portion of lease liabilities.

[2] Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plantand equipment, etc.

[3] Debt service includes interest & lease payments.

[4] Revenue from operations means gross credit sales after deducting sales return.

[5] Total purchases means gross credit purchases after deducting purchase return. Gross credit purchases includes other expenses.

[6] Working capital is calculated by deducting current liabilities from current assets.

[7] Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset

Explanations for variances change more than 25%:
(i) Increase in debt of the Group during the year has resulted in movement in this ratio.
(ii) Increase in debt and profit of the Group during the year has resulted in movement in this ratio.
(iii) Increase in profit of the Group during the year has resulted in movement in this ratio.
(iv) Increase in inventory and cost of goods sold of the Group during the year has resulted in movement in this ratio.
(v) Increase in purchase of the Group during the year has resulted in movement in this ratio.
(vi) Increase in net profit and turnover of the Group during the year has resulted in movement in this ratio.
(vii) Increase in profit of the Group during the year has resulted in movement in this ratio.

48 Relationship with struck of companies

The Group has not entered any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act,1956 except following:

Name of the Struck of Companies	Nature of transactions	Relationship with Struck off Company	31 March 2023	31 March 2022	31 March 2021
Kandala Projects Private Limited	Sales	Customer	1.19	-	-
SKJ Projects Private Limited	Sales	Customer	0.37	-	-

49 Details of Corporate Social Responsibility (CSR) expenditure

Particulars	31 March 2023	31 March 2022	31 March 2021
(a) Gross amount required to be spent by the Group during the year as per Section 135 of the Act	3.30	3.55	6.10
(b) Amount spent during the year:			
(i) Construction / Acquisition of any asset (Promotion of education and prevention of child labor)	-	-	-
(ii) On purposes other than (i) above (National Employment Enhancement Mission and free food to migrant workers, PM Care fund)	0.55	0.71	1.78
c) Details related to spent / unspent obligation			
(i) Construction / Acquisition of any asset		-	-
(ii) Unspent			
- Ongoing	2.75	-	-
- Other than	0.00	2.84	4.32

*The Company has transferred Rs. 2.75 million (31 March 2022: Rs 2.84 million, 31 March 2021: Rs 4.32 million) to "Unspent CSR Account" with a bank.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

Details of other than ongoing project

As at 31 March 2023

Opening balance		Amount required to be spent during the year	Amount		Closing balance		
In separate CSR unspent account	With Group		From Group bank account	From Separate CSR unspent account	With Group	In separate CSR unspent account	Excess in unspent account
2.84	-	3.30	0.55	2.84	-	2.75	-

2.84

As at 31 March 2022

Opening balance		Amount required to be spent during the year	Amount		Closing balance		
In separate CSR unspent account	With Group		From Group bank account	From Separate CSR unspent account	With Group	In separate CSR unspent account	Excess in unspent account
4.32	-	3.55	0.71	4.32	-	2.84	

As at 31 March 2021

Opening balance		Amount required to be spent during the year	Amount		Closing balance		
In separate CSR unspent account	With Group		From Group bank account	From Separate CSR unspent account	With Group	In separate CSR unspent account	Excess in unspent account
-	-	6.10	1.78	-	-	4.32	

Movement in provision for CSR:

Particulars	31 March 2023	31 March 2022	31 March 2021
Balance at the beginning of the year	2.84	4.32	-
Provision made during the year	2.75	2.84	4.32
Provision utilised during the year	(2.84)	(4.32)	-
Balance at the end of the year	2.75	2.84	4.32

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

50 Employee Stock Options

Employee Stock Option Plan 2022 ("ESOP 2022")

The Parent established the Employee Stock Option Plan 2022 ("ESOP 2022") with effect from 30 September 2022 as approved vide Board Resolution dated 6 September 2022 and shall continue to be in force until (i) its termination by the Board or (ii) the date on which all of the options available for issuance under ESOP 2022 have been issued and exercised.

Pursuant to the ESOP 2022, the Group has granted options to the employees of the Company and employees of subsidiary companies forming part of the Group, which would vest to the employees as per the terms of the Grant Letter.

Particulars	Stanley Lifestyle Stock Option Plan 2022	
	Bucket A	Bucket B
Date of Grant	16 November 2022	16 November 2022
No. of options granted	36,662	4,565
Method of Settlement	Equity	Equity
Vesting period	Graded vesting over the period of 4 years from the date of grant	Graded vesting over the period of 4 years from the date of grant
Exercise Period	4th year from the date of grant	4th year from the date of grant
Vesting conditions	Continues services and performance	Continues services and performance
Exercise price per option (Rs.)*	Rs 850	Rs 10
Fair value of option (Rs.)	Rs 901	Rs 1,403

Particulars	Bucket A	Bucket B
Opening balance	-	-
Granted during the year*	36,662	4,565
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	**36,662**	**4,565**

* Weighted average exercise price for options during the year are Rs. 850 and Rs. 10 (31 March 2022: Rs Nil and 31 March 2021: Rs Nil)

Fair value of share options grant

The fair value of the share options granted is estimated at the grant date using the option pricing model (Black Scholes), taking into account the terms and conditions upon which the share options were granted.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	Bucket A	Bucket B
Exercise price of options granted during the year ended 31 March 2023	Rs 850	Rs 10
Risk free rate of return	7.32%	7.32%
Life of the options granted (vesting and exercise period) in years	4 years	4 years
Volatility	16.06%	16.06%

Movement in stock options during the year

The expense recognised for employee services received during the year is shown in the following table:

Particulars	31 March 2023	31 March 2022	31 March 2021
Expense arising from equity-settled share-based payment transactions	6.94	-	-

51 (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

(ii) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property

(iii) The Group has not traded or invested in crypto currency or virtual currency during the financial period.

(iv) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

52 A) The Group has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 The Group has maintained proper books of account as required by law except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India.

(All the amounts are in Indian Rupees Millions, unless otherwise stated)

54 Events occurred after Restated Consolidated Statement of Assets and Liabilities date

The Group evaluated all events or transactions that occurred after 31 March 2023 up through 31 August 2023, the date the consolidated financial information were authorized for issue by the Board of Directors. Based on this evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the consolidated financial information other than as below:

(i) The Company Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company a subdivision of authorised share capital from 75,00,000 equity shares having a face value of Rs. 10 each per equity share to 3,75,00,000 equity shares having a face value of Rs. 2 each per equity share in terms of Sections 13, 61, and 64 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

(ii) The Company Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, an increase in the authorised share capital from Rs. 75 million to Rs. 150 million in terms of Section 61 and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

(iii) The Company Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, a bonus share in the proportion of 2 new bonus shares of Rs 2 each per equity share for every 5 existing fully paid-up equity shares of Rs 2 each, by capitalisation an amount of Rs 29.48 million in terms of Sections 63 and 123(5) and other applicable provisions of the Companies Act, 2013, which was further approved by the members in the general meeting held on 19 June 2023.

(iv) Subsequent to year-end, the Group has availed of the additional working capital facility of Rs 220 million from ICICI Bank, secured by the 100% bank deposit with ICICI Bank.

(v) The Company's Board of Directors, at its meeting held on 22 August 2023, proposed/recommended to the members of the Company amending the employee stock option scheme of the Company, namely, Stanley Lifestyles Limited Employee Stock Option Plan 2022, to comply with the requirements of the Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB & SE Regulations"), as amended, which was further approved by the members in the annual general meeting.

55 Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

56 The Restated Consolidated Financial Information were authorized for issue in accordance with a resolution of the directors on 31 August 2023

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh	**Shubha Sunil**	**Pradeep Mishra**	**Akash Shetty**
Managing Director	Whole Time Director	Chief Financial Officer	Company Secretary
DIN 01421517	DIN 01363687		FCS No. 11314

Place: Bengaluru
Date: 31 August 2023

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in million, except as otherwise stated)

Particulars	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Basic earnings per share (in ₹)	6.37	4.14	0.20
Diluted earnings per share (in ₹)	6.37	4.14	0.20
Return on Net Worth (%)	15.18%	10.69%	0.56%
Net asset value per Equity Share (in ₹)	41.96	38.71	35.45
EBITDA	827.17	590.08	297.75

Notes:

1) *Earnings per Equity Share = Profit attributable to owners of our Company for the year / Weighted average number of equity shares outstanding during the year.*
2) *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended) read with the requirements of SEBI ICDR Regulations.*
3) *Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.*
4) *Pursuant to a resolution by our Board dated June 16, 2023 and pursuant passed by the Shareholders on June 19, 2023, have approved the issuance of 14,742,048 bonus Equity Shares in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Share.*
5) *Return on Net Worth (%) = Restated profit/(loss) attributable to the owners of the Company divided by total equity attributable to equity shareholders of the Company (excluding non controlling interests).*
6) *Net Worth represents equity attributable to the equity holders of our Company (excluding non controlling interests).*
7) *Net Asset Value per Equity Share = Net Worth at the end of the year / Weighted number of equity shares outstanding at the end of the year.*
8) *EBITDA is calculated as restated profit for the year plus tax expense plus finance costs plus depreciation and amortization expense less other income.*

For reconciliation of non-GAAP financial measures, see "– *Reconciliation of Non-GAAP Financial Measures*" on page 313.

Non-GAAP Financial Measures

This section includes Certain Non-GAAP financial measures and other statistical information relating to our operations and financial performance (together, "Non-GAAP Measures" and each a "Non-GAAP Measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Ind AS.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of Non-GAAP Financial Measures

Reconciliation for the various Non-GAAP Financial Measures included in this Draft Red Herring Prospectus are given below.

Reconciliation of Net Worth and Return on Net Worth

(₹ in million, except as otherwise stated)

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Equity share capital (I)	73.71	73.71	73.71
Other equity (II)	2,091.31	1,923.84	1,755.61
Net Worth (III) = (I + II)	2,165.02	1,997.55	1,829.32
Restated profit/(loss) attributable to the owners (IV)	328.75	213.49	10.31
Return on Net Worth (%) (V) = (IV / (III))	15.18%	10.69%	0.56%

Restated profit/(loss) attributable to the owners divided by total equity attributable to equity shareholders Company (excluding non controlling interests).

Reconciliation of Net Asset Value per Equity Share

(₹ in million, except as otherwise stated)

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Equity share capital (I)	73.71	73.71	73.71

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Other equity (II)	2,091.31	1,982.84	1,755.61
Net Worth (III) = (I + II)	2,165.02	1,997.55	1,829.32
Weighted number of equity shares outstanding at the end of the year (IV)	51,597,168	51,597,168	51,597,168
Net Asset Value per Equity Share (in ₹) (V) = (IV / (III))	41.96	38.71	35.45

Reconciliation of EBITDA, EBITDA Growth, Revenue from Operations Growth and EBITDA Margin

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Restated profit for the year (I)	349.77	232.19	19.23
Total Tax Expenses (II)	114.23	87.17	42.97
Finance costs (III)	146.91	108.78	87.72
Depreciation and amortization expense (IV)	282.50	217.45	207.14
Other Income (V)	66.24	55.51	59.31
EBITDA (VI = I + II + III + IV-V)	**827.17**	**590.08**	**297.75**
EBITDA Growth (%)	**40.18%**	**90.18%**	**-***
Revenue from Operations (VII)	4,189.98	2,922.04	1,957.80
Revenue from Operations Growth (%)	**43.39%**	**49.25%**	**-***
EBITDA Margin (%) (VIII = VI/VII)	19.74%	20.19%	15.21%

**Not been included as the comparative period figures under Ind AS for FY 2020 are not available.*

Reconciliation of Gross Profit and Gross Margin

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Revenue from Operations (I)	4,189.98	2,922.04	1,957.80
Cost of materials consumed (II)	2,042.55	1,456.10	902.00
Purchase of stock-in-trade (III)	108.14	201.30	52.90
(Increase)/decrease in inventories (IV)	(107.82)	(216.88)	20.50
Gross Profit (V = I – II – III – IV)	**2,147.11**	**1,481.52**	**982.40**
Gross Margin (%) (III = V/I)	51.24	50.70	50.18

Reconciliation of PAT Growth and PAT Margin

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Restated profit for the year (I)	349.77	232.19	19.23
PAT Growth (%)	**50.64**	**1,107.44**	**-***
Revenue from Operations (II)	4,189.98	2,922.04	1,957.80
PAT Margin (%) (III = I/II)	8.35	7.95	0.98

**Not included as the comparative period figures under Ind AS for FY 2020 are not available.*

Reconciliation of Return on Equity

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Average Shareholder's Equity (I)	2,147.00	1,965.98	1,864.19
Restated (Loss) / Profit after Tax (II)	349.77	232.19	19.23
Return on Equity (III) = (II/I)	**16.29%**	**11.81%**	**1.03%**

* *Return on Equity (%) is calculated as restated (loss)/ profit after tax divided by average shareholder's equity.*

Reconciliation of Return on Capital Employed

(*₹ in million, except as otherwise stated)*

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Total Equity (I)	**2,237.99**	**2,056.02**	**1,875.94**
Current Financial liabilities (II)			
(i) Borrowings	91.41	55.28	1.41
(ii) Lease liabilities	167.93	146.07	88.06

Particulars	As at/for the Fiscals ended March 31		
	2023	2022	2021
Non Current Financial liabilities (III)			
(i) Borrowings	2.29	5.58	1.12
(ii) Lease liabilities	1,251.06	1,090.16	784.61
Intangible Assets (IV)			
(i) Goodwill on consolidation	37.27	27.05	25.57
(ii) Other Intangible assets	28.57	8.03	8.70
(iii) Intangible assets under development	11.23	-	-
Capital Employed (V = I+II+III-IV)	3,673.61	3,318.03	2,716.87
Restated profit for the year (VI)	349.77	232.19	19.23
Total Tax Expenses (VII)	114.23	87.17	42.97
Finance Costs (VIII)	146.91	108.78	87.72
Earnings Before Interest, Tax (EBIT) (IX = VI + VII + VIII)	610.91	428.14	149.92
Return on Capital Employed (%) (X= X/V)*	16.63%	12.90%	5.52%

** Return on Capital Employed (%) is calculated as earnings before interest and tax ("**EBIT**") divided by Capital Employed. EBIT is calculated as restated profit for the year plus total tax expense plus finance costs and Capital Employed is calculated as the sum of total equity, current borrowings, non-current borrowings, current lease liabilities, non-current lease liabilities and as reduced by goodwill on consolidation, intangible assets and intangible assets under development.*

Reconciliation of Company Adjusted Profit for the year

(*₹ in million, except as otherwise stated*)

Particulars	As at/for the Fiscals ended March 31		
	2021	2022	2023
Restated profit for the year (I)	19.23	232.19	349.77
Effect on ROU accounting of lease (II)	65.77	65.57	65.01
Provision for expected credit loss (III)	15.38	1.90	(0.10)
Re-measurement of define benefit obligation (IV)	10.06	5.27	2.23
Interest on unwinding of security deposit (V)	(6.53)	(7.09)	(8.64)
Deferred tax impact on above adjustment (VI)	(20.80)	(17.67)	(14.43)
Company Adjusted Profit for the year (VIII = I + II + III + IV + V + VI)	**83.11**	**280.17**	**393.84**

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company and the Material Subsidiaries for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 (collectively, the "**Audited Financial Statements**") are available on our website at https://www.stanleylifestyles.com/investors/financial-information-stanley-lifestyles-limited.php and https://www.stanleylifestyles.com/investors/audited-financial-statements-material-subsidiaries.php, respectively.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor Book Running Lead Managers or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 'Related Party Disclosures' for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 38 - Notes to Restated Consolidated Financial Information – Details of Related Party Transactions*" on page 294.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements.

For details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of Board*" on page 220.

Set forth below is a table of the aggregate borrowings of our Company and our Subsidiaries as of July 31, 2023:

(₹ in million)

Category of borrowing	Sanctioned amount	Outstanding amount as on July 31, 2023
Secured (A)		
Fund-Based		
Cash Credit	420.00	167.29
Pre/Post Shipment Credit	120.00	-
Vehicle Loan	11.25	5.40
Non-Fund Based		
Letter of Credit*	550.00	79.18
Total (A)	**1,101.25**	**251.86**
Unsecured (B)		
Loan from Related Parties	47.85	48.14**
Total (B)	**47.85**	**48.14****
Total (A+B)	**1,149.10**	**300.00**

**Sanctioned amount for letter of credit includes ₹ 120.62 million as a sublimit for bank guarantees and outstanding amount of such bank guarantees ₹ 0.51 million, which is not included in the outstanding amount above.*
***Including accrued interest but not payable of ₹ 0.29 million.*
As certified by N B T and Co, Chartered Accountants pursuant to certificate dated September 4, 2023.

Principal terms of the outstanding borrowings availed by our Company and our Subsidiaries:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Subsidiaries.

1. ***Interest*:** The interest rate for the working capital facilities availed by our Company ranges from 0.75% to 9.30%. While the interest rate for the working capital facility availed by ICICI Bank is fixed, the interest rate for the working capital facilities availed from State Bank of India is tied to the base rate/State Bank Advance Rate ("**SBAR**")/ Marginal Cost of Funds based Lending Rate ("**MCLR**"). In some instances, the interest rate is either 'NIL' or applicable as per the standard rates for few components of working capital facilities such as bank guarantee and import/inland letter of credit. The interest rate for the each of the components of working capital facilities availed by our Subsidiaries range from 1.00% to 7.80%. In the case of auto loan availed by our Company, the interest rate is 7% and in the case of auto loans availed by our Subsidiary, Stanley Retail Limited interest rates are 7.50% p.a. and 8.38% p.a. respectively.

2. ***Tenor*:** In respect of working capital facilities, the tenor varies from instrument to instrument. For instance, the period of sanction for letter of credit and bank guarantee is twelve months and the tenor of letter of credit varies basis demand/usance upto 90 days to 180 days. For the auto loan availed by our Company, the tenor is 39 months and for the auto loans availed by our Subsidiary, Stanley Retail Limited the tenor is 36 months and 60 months, respectively.

3. ***Security*:** In terms of our borrowings where security needs to be created, we are typically required to create security by way of first *pari passu* charge by way of hypothecation on present and future goods, book debts and all other moveable assets. In case of auto loans, security is created by way of hypothecation of the underlying vehicle.

4. ***Pre-payment*:** In respect of the working capital facility availed by our Company from State Bank of India, prepayment is allowed subject to the payment of 2% of the prepaid amount as pre-payment charges. In respect of auto loans availed by our Company and our Subsidiary, Stanley Retail Limited, prepayment is allowed only after expiry of six months or six EMIs, whichever is later from the date of disbursement of loan, and the prepayment penalty ranges from 3%-6%.

5. ***Re-payment*:** The working capital facilities availed by our Company and our Subsidiaries are repayable on demand. The auto loans availed by our Company and our Subsidiary, Stanley Retail Limited are also repayable in monthly instalments as per the repayment schedule stipulated in the relevant loan documentation.

6. ***Key covenants*:** In accordance with our facility agreements and sanction letters, we are required to comply with various financial covenants and conditions restricting certain corporate actions, and we are required to take the lender's prior consent and/ or intimate the respective lender before carrying out such corporate actions, typically including, but not limited to the following:

   (a) effecting any change in Company's capital structure;

(b) transfer of controlling interest or drastic changes in the management set up;

(c) alteration to certification of incorporation, memorandum of association or articles of association;

(d) issuance of unissued share capital or creation of new shares;

(e) implementing any scheme of expansion/ diversification/ modernisation other than incurring routine capital expenditure;

(f) undertaking further capital expenditure, except for maintenance and being funded by our Company's or Subsidiary's own resources;

(g) effecting changes in the shareholding of Directors, principal shareholders and Promoters;

(h) formulation of any scheme of amalgamation or reconstruction;

(i) availing any credit facility or accommodation from any bank or financial institution;

(j) undertaking guarantee obligations on behalf of a third party or any other company;

(k) undertaking changes to the accounting system, being currently followed unless expressly required by applicable law;

(l) making any corporate investments or investment by way of share capital or debentures;

(m) declaration of dividends in case of default to pay interest/commission/ instalments in relation to the underlying facility;

(n) permitting direct or indirect change in the legal or beneficial ownership or control of the vehicle, in case of auto loans;

(o) appointment of various intermediaries (including investment banks, escrow collection banks, public issue account banks and refund banks) and advisors;

(p) opening of new bank accounts for the purpose of the Offer;

(q) further investments by our Company in any other company or entity; and

(r) changing in remuneration payable to directors, partners, etc. either in the form of sitting fees or otherwise.

7. ***Events of default*:** Borrowing arrangements entered into by our Company and our Subsidiaries contain standard events of default, including, among others:

(a) failure to repay the facility or interest or any portion thereof when demanded by the bank;

(b) breach of covenants, obligations, terms or conditions, warranties or undertakings to be observed or performed by our Company, as contained in the finance documents and failure of our Company to remedy the same forthwith;

(c) change in constitution, management or existing ownership or control of our Company including by reason of liquidation, amalgamation, merger or reconstruction;

(d) occurrence of circumstances which in the opinion of the lenders is prejudicial to or imperils the security provided under the finance documents;

(e) security created in favour of other lenders becomes enforceable;

(f) levy of distress or execution against any property or assets of our Company;

(g) appointment of receiver or liquidator;

(h) suspension or cessation of business or failure to conduct business to the satisfaction of the lenders;

(i) incorrect or misleading information in any material particular in our Company's proposals furnished to the lenders;

(j) reasonable apprehension that Company is unable to pay its debts;

(k) commencement of proceedings for voluntary or compulsory liquidation;

(l) sale, disposal, encumbrance, alienation of any land, buildings, structures, plant or machinery without the prior approval of the lenders; and

(m) properties and assets offered as security to the lenders are not insured.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and our Subsidiaries.

8. ***Consequences of occurrence of events of default*:** In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

(a) terminate the facilities and/or declare all the amounts under the facilities as immediately due and payable;

(b) charge a higher rate of interest over and above the agreed/stipulated rate of interest or as may be laid down by RBI from time to time, without any notice, if the default persists;

(c) right to convert outstanding balance into fully paid-up equity share capital;

(d) suspend further access and withdrawals by the Company;

(e) terminate or prematurely close all or any part of our deposits before the maturity date and/or remove the sum total of deposit in the fixed deposit account and/ or set off the whole or any part of the deposit towards satisfaction of secured liability; and

(f) sell, dispose, transfer, lease, license, assign or deal with all or any part of the hypothecated property.

This is an indicative list and there may be such other additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and our Subsidiaries.

For the purposes of the Offer, we have obtained necessary consents from our lenders as required under the relevant loan documentations for undertaking activities relating to the Offer.

For details in relation to risks associated with our outstanding indebtedness, see "*Risk Factors- Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows*" on page 44.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 26, 235 and 320, respectively.

(₹ in million)

Particulars	**Pre-Offer as at March 31, 2023**	**Adjusted for the proposed Offer**
Total borrowings		Refer note below#
Current borrowings	91.41	
Non-current borrowings **(A)**	2.29	
Current maturities of long term debt **(B)**	4.18	
Total borrowings (C)	**93.70**	
Total equity		
Equity share capital$@	73.71	
Instruments in the nature of equity*	NA	
Other equity	2,091.31	
Total equity (D)	**2,165.02**	
Non-current borrowings (including current maturities of borrowings) (A+B) / Total Equity (D)	**0.30%**	

Notes:

$Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.

@ On June 23, 2023, our Company alloted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.

**These terms carry the same meaning as per Schedule III of the Companies Act, 2013.*

#The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscal 2021, 2022 and 2023 and should be read in conjunction with "Financial Information" on page 235.

This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 16. Also see "Risk Factors" and "- Significant Factors Affecting our Financial Condition and Results of Operations" on pages 26 and 322, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2021, 2022 and 2023 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Information" on page 235.

Unless the context otherwise requires, in this section, references to "we", "us" and "our" refer to Stanley Lifestyles Limited on a consolidated basis while "our Company" or "the Company", refers to Stanley Lifestyles Limited on a standalone basis.

Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Also see "Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition" on page 59.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Deep Dive into Luxury and Super-Premium Furniture Industry" dated September 2023 (the "**RedSeer Report**") prepared and issued by RedSeer Management Consulting Private Limited, pursuant to an engagement letter dated April 11, 2023. The RedSeer Report has been exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the RedSeer Report and may have been re-ordered by us for the purposes of presentation. A copy of the RedSeer Report is available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Industry%20Report.pdf. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year refers to such information for the relevant Fiscal. For more information, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned and paid by us for such a purpose." on page 49. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.*

OVERVIEW

We are India's largest super-premium and luxury furniture brand with a market share of 5.61% in terms of revenue in Fiscal 2022. We are also among the few home-grown super-premium and luxury consumer brands in India operating at scale in terms of manufacturing as well as retail operations. (*Source: RedSeer Report*) Further, we are the fourth largest player in the home furniture segment in India in terms of revenue in Fiscal 2022. (*Source: RedSeer Report*) We have the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands. (*Source: RedSeer Report*)

We design, manufacture and retail our products through our own network of pan-India stores. According to the RedSeer Report, we are among the top four Indian super-premium and luxury furniture manufacturing company in India that is completely integrated, possessing the ability to manufacture our products and distribute them through our own network of retail stores. We believe that our in-house manufacturing operations coupled with our retailing model, differentiates us from other Indian and foreign furniture brands. Our integrated model provides us with the ability to have complete control over our processes, ranging from procurement of raw materials, designing our products, manufacturing, quality control, marketing, and ultimately sale of our products.

We offer customers bespoke products by leveraging the skilled craftsmanship of our employees. Our employees possess expertise across various processes that we deploy as part of our operations which include leather marking, cutting, carpentry, sewing and stitching, metal work and polishing. As of June 30, 2023, the total number of craftsman associated with our new product development division were 61 (including permanent employees and craftsmen on contractual basis). We focus on attention to detail while blending unique manufacturing techniques with contemporary design to deliver a truly distinctive product experience and offer luxurious offerings to customers. Almost all of our products under our "*Stanley Level Next*" and "*Stanley Boutique*" brands include handcrafted elements.

Over the years, we have developed long-standing relationships with our vendors which allows us to source quality raw materials, including leather and Forest Stewardship Council ("**FSC**") certified timber used in our operations. We use premium quality leather sourced from green certified tanneries across Europe while the timber used to manufacture our products is sourced from vendors across South East Asia. We are also one of the the largest importer of leather in India for furniture manufacturing purposes in Fiscal 2022. (*Source: RedSeer Report*) In our experience, the ability to oversee various processes results in better product quality, and reduced delivery timelines and we believe that our ability to adapt to customers' requirements and preferences allows us to manufacture furniture for every room of a home.

Over the years, we have significantly expanded our network of stores and as of June 30, 2023, we operated 34 'company owned and company operated' or "**COCO**" stores all located in the major metro-cities of Bengaluru, Chennai, New Delhi, Mumbai and Hyderabad and 21 'franchisee-owned and franchisee-operated' or "**FOFO**" stores in 22 cities across nine States and Union Territories in India. In addition to our COCO and FOFO stores, our geographical presence is also boosted by our dealer network who primarily retail our mid-value sofa products. We have also experimented at one of our existing store located at Hosur Road, Bengaluru, Karnataka to include different store formats, *i.e.*, "*Stanley Level Next*" and "*Sofas &More by Stanley*" at a single location which provides an opportunity to potential customers to experience the complete "*Stanley*" brand experience under one roof.

The table below sets forth certain details of our retail operations (including our COCO and FOFO stores) for the dates / periods indicated:

Particulars	**As of / Year Ended March 31,**		
	2021	**2022**	**2023**
New stores opened during the Fiscal[1]	6	16	14
Stores closed during the Fiscal	3	1	-
Total number of Stores opened			
- Stanley Level Next	-	2	1
- Stanley Boutique	-	1	3
- Sofas & More by Stanley	5	12	9
- Others[2]	1	1	1
Total	**6**	**16**	**14**
Cities	3	10	9

Note:

(1) *Subsequent to March 31, 2023, we have opened one store under the "Sofas & More by Stanley" format.*

(2) Others include two D Eight, and one Stanley Personal stores.

Over the last three Fiscals, we have consistently grown our revenue from operations. Further, our Gross Profit has also been increasing over the last three Fiscals. In addition, we have been consistently profitable over the last 10 years. We believe this is a result of our ability to address customer requirements, our wide product portfolio and the "Stanley" brand recall.

The following table sets out parameters in relation to our financial performance as of and for the relevant dates / periods:

Particulars	**As of / For the Year ended March 31,**			**CAGR[3] (%) (Fiscal 2021 through Fiscal 2023)**
	2021 (₹ million)	**2022 (₹ million)**	**2023 (₹ million)**	
Revenue from Operations	1,957.80	2,922.04	4,189.98	46.29%
Gross Profit[1]	982.40	1,481.52	2,147.11	47.84%
EBITDA[2]	297.75	590.08	827.17	66.68%
Restated Profit for the Year	19.23	232.19	349.77	326.48%

Notes:

(1) Gross Profit is calculated as revenues from operations less the cost of goods sold. Cost of goods sold is the sum of cost of materials consumed, purchases of stock-in-trade and increase/ decrease in inventories.

(2) EBITDA is calculated as restated profit for the year, plus total tax expenses, finance costs and depreciation and amortization expenses less other income.

(3) CAGR is calculated as (ending value / beginning value) ^ (1 / number of years) – 1.

The following table sets out parameters in relation to our financial performance as of and for the relevant dates / periods:

Particulars	**As of / For the Year ended March 31,**		
	2021	**2022**	**2023**
Gross Margin[1]	50.18%	50.70%	51.24%
EBITDA Margin[2]	15.21%	20.19%	19.74%
PAT Margin[3]	0.98%	7.95%	8.35%
ROCE[4]	5.52%	12.90%	16.63%
ROE[5]	1.03%	11.81%	16.29%

Notes:

(1) Gross Margin is calculated as gross profit divided by revenues from operations.

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as restated profit after tax for the year as a percentage of revenue from operations.

*(4) Return on Capital Employed (%) is calculated as earnings before interest and tax ("**EBIT**") divided by Capital Employed. EBIT is calculated as restated profit for the year plus total tax expense plus finance costs and Capital Employed is calculated as the sum of total equity, current borrowings, non-current borrowings, current lease liabilities, non-current lease liabilities and as reduced by goodwill*

on consolidation, intangible assets and intangible assets under development.

(5) Return on Equity (%) is calculated as restated profit after tax divided by average shareholder's equity.

For reconciliation in relation to the Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, and Return on Equity, see "*Other Financial Information – Non GAAP Financial Measures*" on page 313.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Ability to maintain brand image and cater to changing consumer preferences

We depend on the brands including, *inter alia*, "Stanley Level Next", "Stanley Boutique", and "Sofas & More by Stanley" and their brand equity for our business and operations. The trademarks and copyrights for our primary brands such as STANLEY BOUTIQUE and SOFAS & MORE STANLEY are registered in the name of one of our Promoters, Sunil Suresh in India, whereas the trademarks application for STANLEY LEVEL NEXT is pending for registration. The trademarks and copyrights associated with such primary brands and other brands which are necessary for our business and operations along with the entire worldwide rights, title and interest in therein, together with any and all intellectual property rights were perpetually and irrevocably assigned, sold, and transferred to our Company ("**Transferred IP**") pursuant to the Assignment Deeds for an aggregate consideration of ₹375 million, which will be paid in a staggered manner. The Transferred IP is necessary for our business and operations as on the date of this Draft Red Herring Prospectus. The Transferred IP consists of a total of (i) 138 trademarks of which, 29 trademarks including STANLEY personal, "Stanley Vegan Leather" are currently objected and opposed to; and (ii) 31 copyrights, including for the primary brands, STANLEY LEVEL NEXT, STANLEY BOUTIQUE and SOFAS & MORE STANLEY.

Pursuant to the Assignment Deeds, our Promoter has filed an application with the registry of trademarks for the perpetual assignment of the Transferred IP in our name. For further information, see "*History and Certain Corporate Matters – Other material agreements"* on page 213.

We promote our products across various media including through full page or half-page advertisements in prominent newspapers and in leading premium lifestyle magazines, home decor magazines, airline inflight magazines, and fashion magazines. We also advertise on large billboards strategically placed across cities. We also undertake various marketing initiatives to promote the "Stanley" brand image, including targeted marketing strategies including advertising products on leading premium magazines and undertaking advertisement campaigns such as "*Beautiful Living*", "*Design Glamour*", "*Luxury Unlimited*" and "*Bed of Dreams*". By staying top-of-mind, we aim to further strengthen loyalty towards the '*Stanley*' brand. In addition, we also take part in trade exhibitions. In Fiscals 2021, 2022 and 2023, our advertisement and business promotion expenses was ₹ 86.40 million, ₹ 85.47 million and ₹ 196.46 million, and accounted for 4.42%, 3.22% and 5.18% of our total expenses in such periods. We intend to leverage the strong brand recall and established presence of our '*Stanley*' brand to grow our sub-brands and further expand our operations.

We believe that the strength of the "Stanley" brand is based on reputation for providing luxury and high quality furniture products with distinctive product designs. We employ a combination of techniques in the design and manufacturing of our products allowing us to deliver luxurious offerings to customers and a truly distinctive product experience. Accordingly, a significant part of our success has been and will continue to depend on our ability to maintain our strong brand image and at the same time continue to design and produce a wide range of quality furniture products that meets continually changing consumer preferences. To compete successfully in our business, we must be able to identify and respond to changing consumer demands and preferences. If we fail to anticipate and meet industry trends and our products do not meet customers' preferences, our results of operations will be adversely affected. In addition, customer demographics and design preferences vary in our different markets across India, and our market share and results of operations is also dependent on our ability to develop attractive designs catering to various customer preferences. Hence, all our designs may not have comparable demand across all of our regions. As a result, our market share is also determined by our ability to create designs that conform to the significantly different preferences our customers across different regions.

Expansion of our store network

Our ability to continue our growth across geographies depends upon the strength of the "Stanley" brand, product offering and store economics. Our ability to effectively execute our expansion strategy further depends on our ability to open new stores successfully. As of June 30, 2023, we operated 34 COCO stores in major metro-cities. In addition, we operated 21 FOFO stores for our "*Stanley Level Next*", "*Stanley Boutique*" and "*Sofas and More by Stanley*" format stores in 22 cities across nine States and Union Territories in India.

- **Stanley Level Next** targets customers in the ultra-luxury home solution price points.
- **Stanley Boutique** targets customers in the luxury category price points.

- **Sofas & More by Stanley** targets customers in the super premium price points.

In addition to our COCO and FOFO stores, our geographical presence is also boosted by our dealer network who primarily retail our mid-value sofa products. For further information, see "*Our Business – Business Operations – Retail Operations*" on page 193.

We intend to focus our expansion in markets where we determine there is an increasing demand for our products, and where we can leverage our existing presence to expand our market share. For further information, see "*Our Business – Strategies - Continue to expand our retail presence within India and abroad by leveraging the "Stanley" brand appeal*" on page 180. We will continue to conduct informal market study to evaluate whether the relevant market is suitable and there is a demand for products such as ours thereby impacting our decision to open a showroom in that particular region or city. As a retailing company, our stores generally need to be in high visibility and high traffic locations. Our ability to effectively obtain quality commercial property to relocate existing stores or open new stores depends on the availability of commercial property that meets our criteria for customer traffic, square footage, lease economics, demographics and other factors, including our ability to negotiate terms that meet our financial targets. In addition, rising real estate prices may restrict our ability to lease new desirable locations.

Any new store that we establish requires significant resources in terms of lease costs, fit-outs and refurbishments, to align the store with our preferred format, and may not be profitable immediately upon its opening or may take time to break even, and failure to do so within a reasonable period may adversely affect our profitability. Our ability to reduce our payback periods depends on our ability to negotiate commercially reasonable terms with lessors/ landlords/ mall developers, based on the store format and the location for such format, that is subject to various assumptions on demand for our products from the particular demographic at the location. In addition, new stores could impact the sales of our existing stores nearby, and there can be no assurance that sales cannibalization will not occur or become more significant in the future as we increase our presence in existing markets. An inability to appropriately identify suitable locations, or set-up the most appropriate store-format at a particular location, or to negotiate commercially reasonable lease terms, may increase our payback periods, result in store-closures, and adversely affect our results of operations and financial condition. However, with the experience of setting up stores in various parts of India and, we believe that we are well positioned to leverage on opportunities for expansion.

Efficient management of our existing stores

Our overall financial performance and results of operations are largely dependent on the number of stores we operate, their locations and performance of the stores in terms of the sales they carry out. Our total store count has grown from 25 stores, as of March 31, 2021 to 54 stores as of March 31, 2023. Our ability to efficiently manage our stores depends on many factors, including, among other things, our ability to: identify suitable store locations; negotiate acceptable lease terms; optimize supply chain and inventory management; identify and satisfy evolving customer preferences; consistency of customer experience; and adequately train store personnel.

Our primary operating expenses include purchases made for our products, employee benefits expenses, lease rentals, marketing, freight, and depreciation and amortization expense. Wages and other compensation paid to our employees comprise a significant portion of our operating costs, and an increase in the wages or employee benefit costs will significantly increase our operating costs. Other operating expenses mainly comprise rental expenses. Store-level profitability is partially dependent on our ability to renew our lease agreements at existing favorable terms granted by the lessor.

Store-level profitability is also predominantly dependent on customer footfalls, and the ability of our store managers to drive sales at our stores. Customer footfalls in turn depend on our store locations, and our ability to introduce offerings that meet evolving customer preferences. We have grown on the back of our experiential store formats, and our ability to remain successful and maintain our level of growth is therefore significantly dependent on the ambience of our stores and the customer service we provide. Our store locations together with our sales employees influence our customer satisfaction levels and their overall shopping experience. Our store managers' ability to drive sales also depends on our ability to retain our workforce, appropriately train them, and enable them to upskill their capabilities.

While we actively manage our costs to drive cost efficiencies and achieve economies of scale through operational leverage throughout our business, we expect that other expenses will increase as we grow, but may decline as a percentage of revenue. We continue to leverage on the size of our store network and multi-format focus to optimize and manage our supply chain and associated costs.

Availability of raw materials, operating costs and operation efficiency

Timely procurement of materials such as leather and timber used in our operations as well as the quality and the price at which they are procured play an important role in the successful operation of our business. We use premium quality leather sourced from green certified tanneries across Europe while the timber used to manufacture our products is sourced from vendors across South-East Asia. We are also one of the largest importer of leather in India for furniture manufacturing purposes in Fiscal 2022. (*Source: RedSeer Report*) Accordingly, our business is impacted by the availability, cost and quality of raw materials. The prices and supply of these and other materials depend on factors beyond our control, including general economic conditions, competition, production levels and regulatory factors such as import duties. In addition, if for any reason, our primary suppliers of raw materials curtail or discontinue their delivery of such raw materials to us, in the quantities we need and at prices that are competitive, our ability to meet our material requirements for our operations could be impaired, our delivery schedules could be disrupted and our business and reputation may be adversely affected. The results of our operations are significantly affected by changes in the prices of leather and timber. Going forward we will continue to focus on increasing our leather requirements locally which we believe will help us to further improve our gross margins.

Our operations integrate our sourcing, manufacturing, retail sales, to provide us with several competitive advantages, including the ability to adjust our product range to continuously address shift in customer preferences and changes in demand. We operate two manufacturing facilities located at Electronic City, Bengaluru, Karnataka and Bommasandra Jigani Link Road, Bengaluru, Karnataka. Of our two manufacturing facilities, the facility at Electronic City is dedicated to producing bespoke products all under the "*Stanley*" brand while the facility located at Bommasandra Jigani Link Road specializes in contract manufacturing for repetitive production for various multi-national home furnishing players and to manufacture products for our "*Sofas & More by Stanley*" brand. Our ability to manage our operating costs while maintaining and enhancing operation efficiency, impacts our ability to maintain or increase our margins. A significant proportion of our operating costs is attributable to our (i) cost of materials used, which include cost of raw materials, and (ii) other expenses, which primarily include job work charges. Job work charges comprise expenses incurred in respect of on sub-contracted production process which are outsourced such as polishing.

Cost of materials consumed, which include purchases of raw materials used to manufacture our products, which for Fiscal 2021, 2022 and 2023, amounted to ₹ 902.00 million, ₹ 1,456.10 million and ₹ 2,042.55 million, respectively, which represented 46.07%, 49.83% and 48.75% respectively, of our revenue from operations. We incur rent charges primarily towards payment of rent for our COCO stores, in respect of which we enter into lease agreements with landlords, as well as for warehouses and office. For Fiscal 2021, 2022 and 2023, our rent including short term leased rentals was ₹ 18.42 million, ₹ 29.58 million and ₹ 39.75 million, respectively, which represented 0.94%, 1.01% and 0.95%, respectively, of our revenue from operations. These lease costs are in respect of leases other than the leases in relation to right of use assets. We seek to continue to enhance our operations by continuing to pursue cost efficiencies to maintain or increase our margins. Our ability to manage and decrease the aforementioned cost items as we grow our revenue from operations would allow us to improve our margins in future periods, whereas any our inability to do so would decrease our margins and, in turn, our profitability.

Consumer spending and general economic and market conditions

Our success depends to a significant extent on customer confidence and spending, which is influenced by general economic condition and discretionary income levels. Many factors affect the level of customer confidence and spending in the luxury and premium furniture segment, including recession, inflation, political uncertainty, availability of consumer credit, taxation and unemployment. Our performance may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of customer confidence and spending. Growth of retail is also linked to consumer needs, attitudes and behaviour. With the rise in household incomes and upward shift in the household pyramid, there is an anticipated increase in discretionary spending as well. (*Source: RedSeer Report*) Affluent households are the drivers of luxury/super-premium consumption in India. (*Source: RedSeer Report*) These households characterised by their high levels of disposable income and wealth often seek exclusivity luxurious experiences. (*Source: RedSeer Report*) Owing to our presence across metro, Tier I and Tier II cities, we believe we are well positioned to leverage on increasing urbanization of these markets. Developments in the economy and the rate of urbanisation have in the past affected the supply and demand as well as pricing trends in furniture market in the cities and the regions where we operate or intend to operate. We believe that these factors will continue to impact our business, financial condition, results of operations and prospects.

Competition

The Indian furniture industry is competitive, with several regional players and unorganised retailers present in local markets across the country. For further information, see "*Risk Factors – Competition in the luxury furniture market, in particular, sofas may create pressures of pricing and market share that may adversely affect our business, prospects, results of operations, cash flows, and financial condition*" and "*Our Business – Competition*" on pages 46 and 197, respectively. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. In the future, some of our competitors may develop alliances to compete against us, acquire greater resources, market presence and geographic reach, as well as develop products with better brand recognition than ours. Some of our competitors may be able to procure raw materials or finished products at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or sell their products at more competitive prices.

PRESENTATION OF FINANCIAL INFORMATION

The restated consolidated financial information comprises the restated consolidated statement of assets and liabilities as at March 31, 2021, 2022 and 2023, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity and the restated consolidated statements of cash flows for the years ended March 31, 2021, 2022 and 2023, and the summary of significant accounting policies, and explanatory information (collectively, the "**Restated Consolidated Financial Information**").

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

a. 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.

b. Subsequent expenditures related to an item of tangible property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

c. The cost of property, plant and equipment not ready for their intended use at the Restated Consolidated Statement of Assets and Liabilities date are disclosed as capital work in progress.

d. Advances paid towards the acquisition of property, plant and equipment, outstanding at each Restated Consolidated Statement of Assets and Liabilities date are disclosed as 'capital advances' under 'other current assets'.

e. Assets received on amalgamation are recorded at its fair value.

f. Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of it's corresponding asset, the component is depreciated over it's shorter life.

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of fixed assets as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the duration of the lease, or estimated useful life of the assets, whichever is lower. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale / deletion of property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be. In case of impairment, if any, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Assets individually costing up to Rupees five thousand are not capitalized.

Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.) which is the Group functional and presentation currency.

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

Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains / (losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Restated Consolidated Statement of Profit and Loss account.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Restated Consolidated Statement of Profit and Loss account.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Fair value measurement

Our Company measures financial instruments, such as, derivatives at fair value at each Restated Consolidated Statement of Assets and Liabilities date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Revenue Recognition

Revenue is measured at amount of transaction price (net of variable consideration) received or receivable when control of the goods is transferred to the customer and there are no unfulfilled performance obligations as per the contract with the customers. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue excludes taxes collected from customer which have to be subsequently remitted to the Government authorities.

We recognize revenue from operations based on five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A Contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

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.

The Company presents revenues gross of indirect taxes in its Restated Consolidated Statement of Profit and Loss account.

Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Interest income is recognised using the time-proportion method, based on underlying interest rates. When calculating EIR, ECL is not considered. Performance obligation- satisfied at a point in time.

Taxes

Tax expense for the year, comprising current tax, deferred tax and minimum alternate tax credit are included in the determination of the net profit or loss for the year.

Current income tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current tax relating to items recognised outside the restated consolidated statements of Profit and Loss is recognised outside Restated Consolidated Statement of Profit and Loss account (either in OCI or Other Equity).

Minimum Alternate Tax

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Restated Consolidated Statement of Profit and Loss account. The credit available under the Income tax act, in respect of MAT paid is recognised as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set- off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Restated Consolidated Statement of Assets and Liabilities date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred income tax is provided in full, using the Restated Consolidated Statement of Assets and Liabilities approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Restated Consolidated Statement of Profit and Loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Leases

As a lessee

'The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. ROU assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is accounted for on a straight-line basis or another systematic basis over the lease terms based on agreement/contract entered into with the third party and is included in revenue in the Statement of Profit or Loss due to its operating nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the companies net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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 Restated Consolidated Statement of Profit and Loss account on a straight-line basis over the lease term.

Inventories

Inventories are valued at lower of cost (weighted average method) and net realisable value after providing for obsolescence and other losses, where considered necessary. For traded goods purchase costs include cost of purchase and other costs bringing inventory to their location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of raw stock-in-trade, work-in-progress and finished goods are valued at lower of cost and net realisable value based on technical estimate of the percentage of work completed.

In determining the cost of raw materials, components, stores, spares and loose tools, the Moving average method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Usage is FIFO. For smaller entities, value is purchases cost itself.

Work-in-progress is valued at a sum of the raw material cost and a percentage for overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset’s carrying amount and recoverable amount. Losses are recognized in the Restated Consolidated Statement of Profit and Loss account and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Restated Consolidated Statement of Profit and Loss account.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its net selling price. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”).

In determining net selling price, recent market transactions are taken into account, if available no such transactions can be identified, an appropriate valuation model is used.

Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Restated Consolidated Statement of Assets and Liabilities date.

These are reviewed at each Restated Consolidated Statement of Assets and Liabilities date and adjusted to reflect the current management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the Restated Consolidated Statement of Profit and Loss account as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is an obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

Cash and cash equivalents

Cash and cash equivalent in the Restated Consolidated Statement of assets & liabilities comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal. Cash and cash equivalents include restricted cash and bank balances. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

Cash flow statements

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and 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.

Investment in Subsidiary

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:

(a) at cost, or
(b) in accordance with Ind AS 109.

Company accounts for its investment in subsidiary at cost.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to us. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Fair Value Through Other Comprehensive Income (FVOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.
The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Consolidate Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets

In accordance with IND AS 109, Financial Instruments, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve months ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including pre-payment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 90 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Consolidated Statement of Profit and Loss account . In Consolidated Balance Sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated Balance Sheet . The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

De-recognition of financial assets

A financial asset is de-recognized only when :

a) the rights to receive cash flows from the financial asset is transferred; or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is de-recognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortized cost

If (a) eliminates/ reduces measurement (b) the financial liabilities performance evaluation on fair value basis.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss account as finance costs.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Restated Consolidated Statement of Assets and Liabilities.

Defined contribution plan

The Company makes defined contribution to provident fund and superannuation fund, which are recognised as an expense in the Restated Consolidated Statement of Profit and Loss account on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Restated Consolidated Statement of Profit and Loss account.

Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise. Re-measurement of the net defined liability comprising actuarial gains & loss are recognised in OCI, such remeasurements are not classified to the restated consolidated profit and loss in the subsequent periods. Compensated absences are not to be carried forward beyond 12 months are paid monthly.

Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year (if any). The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, Sunil Suresh (Managing Director) regularly monitors and reviews the operating results separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. The business segment in which the Company operates is 'manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories'. The Company does not have any geographical segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in the individual segment, and are as set out in the significant accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Company operates in a single business segment of namely manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories

Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act, unless otherwise stated.

Significant accounting judgments, estimates and assumptions and recent pronouncements

The preparation of restated consolidated financial information requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 50 Equity-settled transactions: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the restated consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

Defined Benefits and other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long-term basis.

Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the restated consolidated financial information.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its restated consolidated financial information.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its restated consolidated financial information.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of our Company during the last three financial years.

NON-GAAP MEASURES

Gross Profit, Gross Margin, EBITDA, EBITDA Margin, PAT Margin, Return on Capital Employed, and Return on Equity and certain other financial measures (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS, U.S. GAAP or any other GAAP. In addition, these Non-GAAP Measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Company Adjusted PAT

The table below reconciles profit for the year to Company Adjusted PAT, which is our profit for the year as per Ind AS that has been adjusted for non-monetary items such as: (i) effect of ROU accounting of lease; (ii) provision for expected credit loss; (iii) re-measurement of defined benefit obligation; (iv) interest of unwinding of security deposit; and (v) deferred tax impact on above adjustment, for the periods indicated.

Particulars	Fiscal		
	2021	2022	2023
Restated profit for the year (I)	19.23	232.19	349.77
Effect on ROU accounting of lease (II)	65.77	65.57	65.01
Provision for expected credit loss (III)	15.38	1.90	(0.10)

Particulars	Fiscal		
	2021	2022	2023
Re-measurement of define benefit obligation (IV)	10.06	5.27	2.23
Interest on unwinding of security deposit (V)	(6.53)	(7.09)	(8.64)
Deferred tax impact on above adjustment (VI)	(20.80)	(17.67)	(14.43)
Company Adjusted Profit for the year (VII = I + II + III + IV + V + VI + VI)	**83.11**	**280.17**	**393.84**

For reconciliation of Non-GAAP financial measures, see "*Other Financial Information*" on page 313.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Revenues

Our total revenues comprises (i) revenue from operations and (ii) other income.

Revenue from Operations

Revenue from operations comprise (i) sale of products which includes manufactured goods, traded goods which includes certain imported furniture such as recliners, dining tables, dining chairs, console, lights and other accessories that are sold by us under those private labels and raw materials which includes sale of leather hide and income generated from sale of scrap generated in the manufacturing of products; and (ii) other operating revenues which includes commission income and export incentive earned from exports done during the relevant fiscal.

Other Income

Other income include (i) interest income on bank deposits; unwinding of security deposit; and others; (ii) profit on sale of property, plant and equipment; (iii) foreign exchange difference (net); (iv) liabilities no longer required written back; and (v) miscellaneous income realized from discounts received from suppliers, interest received on income tax refunds, insurance claims received and service charges collected from our customers.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) purchase of stock-in-trade; (iii) (increase)/ decrease in inventories; (iv) employee benefits expenses; (v) finance costs; (vi) depreciation and amortisation; and (vii) other expenses (such as advertisement and business promotion, rent including lease rentals, carriage outwards, royalty expenses paid to our promoter, Sunil Suresh for the use of the trademark "*Stanley*", expenditure on corporate social responsibility, travelling and conveyance, security charges, repairs and maintenance on plant and machinery, leasehold facilities and others, legal and professional charges, rates and taxes, job work charges, bank charges, communication expenses, insurance expenses, sales commission, audit remuneration, loss on sale of property, plant and equipment, director sitting fees, bad debts, provision for credit allowances, provisions for warranty and miscellaneous expenses).

Costs of materials consumed

Cost of materials consumed consists purchases of raw material made during the relevant Fiscal and changes to stock of raw material during the relevant Fiscal.

(Increase)/Decrease in Inventories

(Increase)/Decrease in inventories includes an (increase) or decrease in the inventories at the beginning of the relevant Fiscal of finished goods, work-in-progress as reduced by unrealized profits on inventory held by Subsidiaries and at the end of the relevant Fiscal.

Employee benefits expenses

Employee benefit expense primarily comprises (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) gratuity expense; (iv) share based payment expense arising from equity-settled share-based payment transaction for the options granted to employees pursuant to the Stock Option Plan 2022; and (v) staff welfare expenses.

Finance Costs

Finance costs comprises (i) interest expense on working capital; micro and small enterprises; lease liabilities and others such as interest on credit card and delayed payment of direct tax dues; (ii) processing fees for working capital borrowings; and (iii) borrowing cost on asset retirement obligation.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses comprises (i) depreciation of property, plant and equipment; (ii) amortisation of intangible assets; and (iii) depreciation on right of use assets.

Other Expenses

Other expenses primarily comprises: (i) advertisement and business promotion; (ii) rent including lease rentals; (iii) carriage outwards; (iv) royalty expenses; (v) power and fuel; (vi) expenditure on corporate social responsibility; (vii) travelling and conveyance; (viii) security charges; (ix) repairs and maintenance on plant and machinery; leasehold facilities and others; (x) legal and professional charges; (xi) rates and taxes; (xii) job work charges incurred on sub-contracted production process which are outsourced such as polishing; (xiii) bank charges; (xiv) communication expense; (xv) insurance expenses; (xvi) sales commission; (xvii) loss on sale of property, plant and equipment; (xviii) director siting fees; (xix) bad debts; (xx) provision for credit allowances; (xxi) provisions for warranty; and (xxii) miscellaneous expenses.

RESULTS OF OPERATIONS

The following table sets forth select financial data from our statement of restated consolidated profit and loss for Fiscal 2021, 2022 and 2023, the components of which are also expressed as a percentage of total revenue for such periods.

	Fiscal					
	2021		**2022**		**2023**	
	(₹ million)	**Percentage of Total Revenues**	**(₹ million)**	**Percentage of Total Revenues**	**(₹ million)**	**Percentage of Total Revenues**
Revenues						
Revenue from operations	1,957.80	97.06%	2,922.04	98.14%	4,189.98	98.44%
Other income	59.31	2.94%	55.51	1.86%	66.24	1.56%
Total Revenues	**2,017.11**	**100.00%**	**2,977.55**	**100.00%**	**4,256.22**	**100.00%**
Expenses						
Cost of materials consumed	902.00	44.72%	1,456.10	48.90%	2,042.55	47.99%
Purchase of stock-in-trade	52.90	2.62%	201.30	6.76%	108.14	2.54%
(Increase)/decrease in inventories	20.50	1.02%	(216.88)	(7.28)%	(107.82)	(2.53)%
Employee benefits expenses	270.36	13.40%	337.37	11.33%	494.57	11.62%
Finance costs	87.72	4.35%	108.78	3.65%	146.91	3.45%
Depreciation and amortisation	207.14	10.27%	217.45	7.30%	282.50	6.64%
Other expenses	414.29	20.54%	554.07	18.61%	825.37	19.39%
Total expenses	**1,954.91**	**96.92%**	**2,658.19**	**89.27%**	**3,792.22**	**89.10%**
Restated profit before tax	**62.20**	**3.08%**	**319.36**	**10.73%**	**464.00**	**10.90%**
Tax Expense						
Current tax	48.60	2.41%	103.54	3.48%	143.98	3.38%
Deferred tax	(34.00)	(1.69)%	(18.77)	(0.63)%	(25.91)	(0.61)%
Short / (excess) provision of tax relating to earlier years	28.37	1.41%	2.40	0.08%	(3.84)	(0.09)%
Total Tax expenses	**42.97**	**2.13%**	**87.17**	**2.93%**	**114.23**	**2.68%**
Restated profit for the years	**19.23**	**0.95%**	**232.19**	**7.80%**	**349.77**	**8.22%**
Profit attributable to Non Controlling Interest	8.92	0.44%	18.70	0.63%	21.02	0.49%
Profit attributable to owners	**10.31**	**0.51%**	**213.49**	**7.17%**	**328.75**	**7.72%**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Re-measurement gains / (losses) on defined benefit plans	5.71	0.28%	6.43	0.22%	2.23	0.05%
Income tax effect on above	(1.44)	(0.07)%	(1.62)	(0.05)%	(0.56)	(0.01)%
Other comprehensive income for the year, net of tax	**4.27**	**0.21%**	**4.81**	**0.16%**	**1.67**	**0.04%**
Restated other comprehensive income / (losses) attributable to non controlling interest	0.13	0.01%	0.07	-	(0.11)	-
Restated other comprehensive income attributable to owners	4.14	0.21%	4.74	0.16%	1.78	0.04%
Restated total comprehensive income (net of tax) for the years	**23.50**	**1.17%**	**237.00**	**7.96%**	**351.44**	**8.26%**
Restated total comprehensive income / (losses) attributable to non-controlling interest	9.05	0.45%	18.77	0.63%	20.91	0.49%

	Fiscal					
	2021		2022		2023	
	(₹ million)	Percentage of Total Revenues	(₹ million)	Percentage of Total Revenues	(₹ million)	Percentage of Total Revenues
Restated total comprehensive income / (losses) attributable to owners	14.45	0.72%	218.23	7.33%	330.53	7.77%

FISCAL 2023 COMPARED TO FISCAL 2022

KEY DEVELOPMENTS

- To manage our increase in demand of our products, we leased a new warehouse at Bengaluru, Karnataka.
- We introduced new brands of sofa and recliner products, such as Harry Cooper; Angelo Italia and Euro recliners.

Revenues

Total revenues increased by 42.94% from ₹ 2,977.55 million in Fiscal 2022 to ₹ 4,256.22 million in Fiscal 2023 primarily due to a significant increase in our revenue from operations.

Revenue from Operations

Revenue from operations increased significantly by 43.39% from ₹ 2,922.04 million in Fiscal 2022 to ₹ 4,189.98 million in Fiscal 2023 primarily due to an increase in retail sales.

Sale of products

Sale of products from manufactured goods which primarily includes sale of furniture and leather products such as sofas and recliners, beds and mattresses, case goods, kitchen and cabinets and car seats increased by 43.92% from ₹ 2,710.52 million in Fiscal 2022 to ₹ 3,900.93 million in Fiscal 2023 due to an increase in our retail sales on account of an increase in the product category and retail presence.

- Revenue from our COCO stores increased by 50.22% from ₹ 1,759.45 million in Fiscal 2022 to ₹ 2,643.08 million in Fiscal 2023. This was primarily attributable to the increase in the number of COCO stores from 27 stores as of March 31, 2022 to 34 stores as of March 31, 2023.
- Revenue realized by us from our FOFO stores increased by 80.41% from ₹ 258.88 million in Fiscal 2022 to ₹ 467.04 million in Fiscal 2023. This was primarily attributable to the increase in the number of FOFO stores from 13 stores as of March 31, 2022 to 20 stores as of March 31, 2023.

Further, sale of products from traded goods which primarily includes certain imported furniture such as recliners, dining tables, dining chairs, console, lights and other accessories that are sold by us under those private labels increased by 50.80% from ₹ 167.02 million in Fiscal 2022 to ₹ 251.86 million in Fiscal 2023 on account of an increase in the orders received from our customers. However, sale of products from raw materials which primarily includes sale of leather hide and income generated from sale of scrap generated in the manufacturing of products decreased by 37.46% to ₹ 25.19 million from ₹ 40.28 million on account of increase utilization of raw materials for the manufacture of our products due to increase in demand which resulted in corresponding increase from the sale of manufactured goods as mentioned above.

Other Operating Revenues

Other operating revenues increased by from ₹ 4.22 million in Fiscal 2022 to ₹ 12.00 million in Fiscal 2023 on account of increase in exports which resulted into an increase export incentives earned.

Other Income

Other income increased by 19.33% from ₹ 55.51 million in Fiscal 2022 to ₹ 66.24 million in Fiscal 2023 on account of an increase in:

- interest income on unwinding of security deposit by 32.52% from ₹ 6.52 million in Fiscal 2022 to ₹ 8.64 million in Fiscal 2023 due to deposits paid for new lease arrangements during Fiscal 2023;
- profit on sale of property, plant and equipment from nil in Fiscal 2022 to ₹ 2.93 million in Fiscal 2023;
- foreign exchange difference (net) from ₹ 10.65 million in Fiscal 2022 to ₹ 10.69 million in Fiscal 2023;
- liabilities no longer required written back from ₹ 3.96 million in Fiscal 2022 to ₹ 15.96 million in Fiscal 2023 on account of there being no obligation to settle certain aged payable balances; and

- miscellaneous income from ₹ 0.37 million in Fiscal 2022 to ₹ 0.94 million in Fiscal 2023.

This was partially offset by a decrease in interest income on (i) bank deposits by 18.56% to ₹ 26.81 million in Fiscal 2023 from ₹ 32.92 million in Fiscal 2022 on account of partial utilisation of fixed deposits in operations during Fiscal 2023; and (ii) others which includes (interest on letter of credit margin and income tax refunds) to ₹ 0.27 million in Fiscal 2023 from ₹ 1.09 million in Fiscal 2022.

Expenses

Total expenses increased by 42.66% from ₹ 2,658.19 million in Fiscal 2022 to ₹ 3,792.22 million in Fiscal 2023 primarily due to an increase in the scale of our operations.

Cost of Materials Consumed and purchase of stock-in-trade

Cost of materials consumed and purchase of stock-in-trade increased by 29.76% from ₹ 1,657.40 million in Fiscal 2022 to ₹ 2,150.69 million in Fiscal 2023 due to an increase in purchases of raw materials. However, as a percentage of revenue from operations in the respective periods, cost of materials consumed and purchase of stock-in-trade decreased to 51.33% in Fiscal 2023 compared to 56.72% in Fiscal 2022.

Changes in Inventories

Inventories of finished goods and work-in-progress reflect a net increase by 50.29% from ₹ (216.88) million in Fiscal 2022 to ₹ (107.82) million in Fiscal 2023 due to increase in the inventory stored at our retail stores in Fiscal 2023.

Employee Benefit Expenses

Employee benefit expenses increased by 46.60% from ₹ 337.37 million in Fiscal 2022 to ₹ 494.57 million in Fiscal 2023 primarily due to an increase in:

- salaries, wages and bonus by 47.13% from ₹ 294.50 million in Fiscal 2022 to ₹ 433.30 million in Fiscal 2023 on account of an increase in the number of employees from 703 as of March 31, 2022 to 786 employees as of March 31, 2023 and annual increments awarded to employees;

- contribution to provident and other funds by 42.81% from ₹ 15.60 million in Fiscal 2022 to ₹ 22.27 million in Fiscal 2023 attributable to the increase in the number of employees;

- gratuity expense by 5.47% from ₹ 8.59 million in Fiscal 2022 to ₹ 9.06 million in Fiscal 2023 attributable to the continued service by the employees;

- share based payment expense of ₹ 6.94 million in Fiscal 2023 compared to nil in Fiscal 2022 on account of expense arising from for the expenses on the options granted to employees pursuant to the Stock Option Plan 2022 with effect from September 30, 2022 which was passed by our Board pursuant to a resolution dated September 6, 2022; and

- staff welfare expenses by 23.09% from ₹ 18.68 million in Fiscal 2022 to ₹ 23.00 million in Fiscal 2023.

However, as a percentage of revenue from operations in the respective periods, employee benefit expenses marginally increased to 11.80% in Fiscal 2023 compared to 11.55% in Fiscal 2022.

Finance Costs

Finance costs increased by 35.05% from ₹ 108.78 million in Fiscal 2022 to ₹ 146.91 million in Fiscal 2023 primarily due to an increase in:

- interest expense on (i) working capital by 51.38% from ₹ 12.36 million in Fiscal 2022 to ₹ 18.71 million in Fiscal 2023 primarily due to an increase in working capital facility availed in Fiscal 2023; (ii) micro and small enterprises from ₹ 0.50 million in Fiscal 2022 to ₹ 0.85 million in Fiscal 2023; (iii) lease liabilities by 31.12% from ₹ 93.29 million in Fiscal 2022 to ₹ 122.32 million in Fiscal 2023 primarily due to new lease arrangements entered for new stores and warehouse during Fiscal 2023; and (iv) others from ₹ 0.44 million in Fiscal 2022 to ₹ 0.62 million in Fiscal 2023;

- processing fees for working capital borrowings from nil in Fiscal 2022 to ₹ 1.25 million in Fiscal 2023; and

- borrowing cost on asset retirement obligation from ₹ 2.19 million in Fiscal 2022 to ₹ 3.16 million in Fiscal 2023.

Other Expenses

Other expenses increased significantly by 48.96% from ₹ 554.07 million in Fiscal 2022 to ₹ 825.37 million in Fiscal 2023 primarily attributable to an increase in:

- Advertisement and business promotion expenses by 129.86% from ₹ 85.47 million in Fiscal 2022 to ₹ 196.46 million in Fiscal 2023 on account of an increase in marketing and brand campaigns conducted by us which includes participation in World Furniture Expo and Architecture Digest Show at Mumbai, Maharashtra;

- Job work charges by 14.65% from ₹ 171.62 million in Fiscal 2022 to ₹ 196.77 million in Fiscal 2023 primarily on account of increase in customer orders requiring higher quantity of material requiring sub-contract of production process;

- Rent including lease rentals by 34.38% from ₹ 29.58 million in Fiscal 2022 to ₹ 39.75 million in Fiscal 2023 primarily due to an increase in premises taken on lease for retail operations and new warehouse at Bengaluru, Karnataka;

- Carriage outwards, i.e., cost incurred on delivering the product to customers by 39.05% from ₹ 45.63 million in Fiscal 2022 to ₹ 63.45 million in Fiscal 2023 primarily due to an increase in orders placed by customers;

- Power and fuel expenses by 43.90% from ₹ 36.15 million in Fiscal 2022 to ₹ 52.02 million in Fiscal 2023 primarily due to an increase in number of stores and consequent increase in power consumption at our manufacturing facilities due to increase in customer orders;

- Repairs and maintenance charges on (i) plant and machinery ₹ 2.86 million in Fiscal 2022 to ₹ 4.94 million in Fiscal 2023; (ii) leasehold facilities from ₹ 6.64 million in Fiscal 2022 to ₹ 6.82 million in Fiscal 2023; and (iii) others primarily representing expenditure incurred on showroom maintenance, common area maintenance, IT maintenance and electrical fittings etc., from 34.53 million in Fiscal 2022 to ₹ 40.63 million in Fiscal 2023;

- Travelling and conveyance expenses from ₹ 12.17 million in Fiscal 2022 to ₹ 29.21 million in Fiscal 2023 primarily on account of increase in domestic travel by sales team to achieve incremental sales and international travels undertaken by the senior management for product enhancement/product portfolio building;

- Rates and taxes from ₹ 3.95 million in Fiscal 2022 to ₹ 28.79 million in Fiscal 2023 primarily due on account of reversal of certain import concessions availed in the past and on account of remittance of certain statutory dues;

- Sales commission by 2.62% from ₹ 22.54 million in Fiscal 2022 to ₹ 23.13 million in Fiscal 2023 primarily on account of commission paid to specifiers on customer orders;

- Provision for credit allowances from ₹ 1.90 million in Fiscal 2022 to ₹ 6.78 million in Fiscal 2023 on account of increase in credit anticipated by the management; and

- Miscellaneous expenses by 39.68% from ₹ 25.30 million in Fiscal 2022 to ₹ 35.34 million in Fiscal 2023 primarily on account of increased operations.

This increase was partially offset by a decrease in royalty expenses paid to our Promoter, Sunil Suresh for using the brand "*Stanley*" from ₹ 10.40 million in Fiscal 2022 to ₹ 10.17 million in Fiscal 2023; expenditure on corporate social responsibility from ₹ 3.55 million in Fiscal 2022 to ₹ 3.30 million in Fiscal 2023; loss on sale of property, plant and equipment to nil in Fiscal 2023 from ₹ 2.34 million in Fiscal 2022; and bad debts from ₹ 1.98 million in Fiscal 2022 to ₹ 1.01 million in Fiscal 2023.

As a percentage of revenue from operations in the respective periods, other expenses marginally increased to 19.70% in Fiscal 2023 compared to 18.96% in Fiscal 2022.

Restated Profit Before Tax

For the reasons discussed above, restated profit before tax was ₹ 319.36 million in Fiscal 2022 compared to a profit of ₹ 464.00 million in Fiscal 2023.

Tax Expenses

Current tax expenses increased from ₹ 103.54 million in Fiscal 2022 to ₹ 143.98 million in Fiscal 2023; deferred tax credit was ₹ 18.77 million in Fiscal 2022 compared to ₹ 25.91 million in Fiscal 2023, primarily on account of increase in profit before tax and increase in deferred tax on temporary differences between accounting and tax books; and short/(excess) provision of tax relating to earlier was ₹ (3.84) million in Fiscal 2023 compared to ₹ 2.40 million in Fiscal 2022 primarily on account of excess/ short provision towards taxation created for past Fiscals. As a result, total tax expenses amounted to ₹ 114.23 million in Fiscal 2023 compared to ₹ 87.17 million in Fiscal 2022.

Restated Profit for the Year

We recorded a restated profit for the year of ₹ 349.77 million in Fiscal 2023 compared to a restated profit for the year of ₹ 232.19 million in Fiscal 2022. Further, of the restated profit for the year, ₹ 21.02 million in Fiscal 2023 and ₹ 18.70 million in Fiscal 2022 were attributable to non-controlling interest to the minority shareholders in certain of our Subsidiaries while the profit attributable to our Company was ₹ 328.75 million and ₹ 213.49 million in Fiscal 2023 and Fiscal 2022, respectively.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 827.17 million in Fiscal 2023 compared to EBITDA of ₹ 590.08 million in Fiscal 2022, while EBITDA Margin was 19.74% in Fiscal 2023 compared to 20.19% in Fiscal 2022.

For reconciliation of EBITDA and EBITDA Margin, see "*Other Financial Information - Reconciliation of EBITDA, EBITDA Growth, Revenue from Operations Growth and EBITDA Margin*" on page 314.

FISCAL 2022 COMPARED TO FISCAL 2021

KEY DEVELOPMENTS

- We installed a new kitchen and cabinet division at our manufacturing facility in Electronic City, Bengaluru, Karnataka.
- We took steps to reduce our reliance on imports by sourcing certain quantities of our key raw materials such as leather, foam and wood domestically.

Revenues

Total revenues increased by 47.61% from ₹ 2,017.11 million in Fiscal 2021 to ₹ 2,977.55 million in Fiscal 2022 primarily due to a significant increase in our revenue from operations due to significant increase in customer orders on account of relaxation in COVID-19 on account of increase in footfalls ate our retail stores.

Revenue from Operations

Revenue from operations increased significantly by 49.25% from ₹ 1,957.80 million in Fiscal 2021 to ₹ 2,922.04 million in Fiscal 2022 primarily due to an increase in retail sales.

Sale of products

Sale of products from manufactured goods furniture and leather products such as sofas and recliners, beds and mattresses, case goods, kitchen and cabinets and car seats increased by 57.58% from ₹ 1,720.10 million in Fiscal 2021 to ₹ 2,710.52 million in Fiscal 2022 due to an increase in our retail sales on account of increase in the product category and retail presence.

- Revenue from our COCO Stores increased by 44.64% from ₹ 1,216.44 million in Fiscal 2021 to ₹ 1,759.45 million in Fiscal 2022. This was primarily attributable to the increase in the number of COCO stores from 19 stores as of March 31, 2021 to 27 stores as of March 31, 2022.
- Revenue realized by us from our FOFO Stores increased by 80.39% from ₹ 143.86 million in Fiscal 2021 to ₹ 258.88 million in Fiscal 2022. This was primarily attributable to the increase in the number of FOFO stores from six stores as of March 31, 2021 to 13 stores as of March 31, 2022.

Sale of products from raw materials which primarily includes sale of leather hide and income generated from sale of scrap generated in the manufacturing of products increased by 11.27% from ₹ 36.20 million from ₹ 40.28 million. However, sale of products from traded goods which primarily includes certain imported furniture such as recliners, dining tables, dining chairs, console, lights and other accessories that are sold by us under those private labels decreased by 14.92% to ₹ 167.02 million in Fiscal 2022 from ₹ 196.30 million in Fiscal 2021 on account of increase in the offerings under the "*Stanley*" brand which compensated such decrease.

Other Operating Revenues

Other operating revenues decreased marginally by 18.85% to ₹ 4.22 million in Fiscal 2022 from ₹ 5.20 million in Fiscal 2021 on account of decrease in exports which resulted into a decrease in export incentive earned.

Other Income

Other income decreased marginally by 6.41% to ₹ 55.51 million in Fiscal 2022 from ₹ 59.31 million in Fiscal 2021 on account of a decrease in:

- interest income on (i) bank deposits due to partial utilisation of fixed deposits in operations and change in bank deposit interest rate during the fiscal from ₹ 39.40 million in Fiscal 2021 to ₹ 32.92 million in Fiscal 2022; and (ii) unwinding of security deposit from ₹ 6.69 million in Fiscal 2021 to ₹ 6.52 million in Fiscal 2022;
- liabilities no longer required written back to ₹ 3.96 million in Fiscal 2022 from ₹ 4.99 million in Fiscal 2021 on account of majority of the payables balances having obligation to pay; and
- miscellaneous income to ₹ 0.37 million in Fiscal 2022 from ₹ 5.03 million in Fiscal 2021.

This was partially offset by an increase in interest income on others primarily representing interest on direct tax refunds from nil in Fiscal 2021 to ₹ 1.09 million in Fiscal 2022; and foreign exchange difference (net) to ₹ 3.20 million in Fiscal 2021 to ₹ 10.65 million in Fiscal 2022 on account of increase in imports due to relaxation of global COVID-19 measures.

Expenses

Total expenses increased by 35.97% from ₹ 1,954.91 million in Fiscal 2021 to ₹ 2,658.19 million in Fiscal 2022 primarily due to an increase in the scale of our operations.

However, as a percentage of revenue from operations in the respective periods, total expenses marginally reduced to 90.97% in Fiscal 2022 compared to 99.85% in Fiscal 2021.

Cost of Materials Consumed and purchase of stock-in-trade

Cost of materials consumed and purchase of stock-in-trade increased by 73.57% from ₹ 954.90 million in Fiscal 2021 to ₹ 1,657.40 million in Fiscal 2022 due to an increase in purchases of raw materials. As a percentage of revenue from operations in the respective periods, cost of materials and purchase of stock-in-trade increased marginally to 56.72% in Fiscal 2022 compared to 48.77% in Fiscal 2021.

Changes in Inventories

Inventories of finished goods and work-in-progress reflect a net decrease from ₹ 20.50 million in Fiscal 2021 to ₹ (216.88) million in Fiscal 2022 due to increase in finished goods and work-in-progress at the end of the year in our inventory as of March 31, 2021 from ₹ 487.49 million and ₹ 36.54 million to ₹ 665.76 million and ₹ 75.15 million as of March 31, 2022, respectively. This increase was due increase in the inventory stored at our retail stores in Fiscal 2022.

Employee Benefit Expenses

Employee benefit expenses increased by 24.79% from ₹ 270.36 million in Fiscal 2021 to ₹ 337.37 million in Fiscal 2022 primarily due to an increase in:

- salaries, wages and bonus by 25.48% from ₹ 234.70 million in Fiscal 2021 to ₹ 294.50 million in Fiscal 2022 on account of an increase in the number of employees from 673 as of March 31, 2021 to 703 employees as of March 31, 2022 and annual increments awarded to employees; and

- staff welfare expenses by 60.52% from ₹ 11.64 million in Fiscal 2021 to ₹ 18.68 million in Fiscal 2022.

This increase was offset by a decrease in gratuity expense by 7.24% to ₹ 8.59 million in Fiscal 2022 from ₹ 9.26 million in Fiscal 2021.

However, as a percentage of revenue from operations in the respective periods, employee benefit expenses decreased marginally to 11.55% in Fiscal 2022 compared to 13.81% in Fiscal 2021.

Finance Costs

Finance costs increased by 24.01% from ₹ 87.72 million in Fiscal 2021 to ₹ 108.78 million in Fiscal 2022 primarily due to an increase in:

- interest expense on (i) working capital by 102.62% from ₹ 6.10 million in Fiscal 2021 to ₹ 12.36 million in Fiscal 2022 primarily due to an increase in working capital facility availed in Fiscal 2022; (ii) lease liabilities by 18.37% from ₹ 78.81 million in Fiscal 2021 to ₹ 93.29 million in Fiscal 2022 primarily due to new lease arrangements entered for new stores; and (iii) others to ₹ 0.44 million in Fiscal 2022 compared to nil in Fiscal 2021; and

- borrowing cost on asset retirement obligation from ₹ 1.70 million in Fiscal 2021 to ₹ 2.19 million in Fiscal 2022.

This increase was offset by a marginal decrease in interest expense on micro and small enterprises from ₹ 1.11 million in Fiscal 2021 to ₹ 0.50 million in Fiscal 2022.

Other Expenses

Other expenses increased by 33.74% from ₹ 414.29 million in Fiscal 2021 to ₹ 554.07 million in Fiscal 2022 primarily attributable to an increase in:

- Job work charges by 111.85% from ₹ 81.01 million in Fiscal 2021 to ₹ 171.62 million in Fiscal 2022 primarily on account of increase in customer orders requiring higher quantity of material requiring sub-contract of production process;

- Rent including lease rentals by 60.59% from ₹ 18.42 million in Fiscal 2021 to ₹ 29.58 million in Fiscal 2022 primarily due to an increase in premises taken on lease for retail operations;

- Carriage outwards, i.e., cost incurred on delivering the product to customers by 45.13% from ₹ 31.44 million in Fiscal 2021 to ₹ 45.63 million in Fiscal 2022 primarily due to an increase in orders placed by customers;

- Power and fuel expenses by 35.80% from ₹ 26.62 million in Fiscal 2021 to ₹ 36.15 million in Fiscal 2022 primarily due to an increase in number of stores and consequent increase in power consumption at our manufacturing facilities due to increase in customer orders;

- Repairs and maintenance charge on others primarily representing expenditure incurred on showroom maintenance, common area maintenance, IT maintenance and electrical fittings etc., by 159.23% from ₹ 13.32 million in Fiscal 2021 to ₹ 34.53 million in Fiscal 2022;

- Travelling and conveyance expense from ₹ 4.85 million in Fiscal 2021 to ₹ 12.17 million in Fiscal 2022 primarily on account of increase in domestic travel by sales team to achieve incremental sales;

- Sales commission from ₹ 11.19 million in Fiscal 2021 to ₹ 22.54 million in Fiscal 2022 primarily on account of increase in commission paid to specifiers on customer orders; and

- Miscellaneous expenses from ₹ 10.31 million in Fiscal 2021 to ₹ 25.30 million in Fiscal 2022 primarily on account of increased operations.

This increase was partially offset by a decrease in:

- advertisement and business promotion expenses by 1.08% from ₹ 86.40 million in Fiscal 2021 to ₹ 85.47 million in Fiscal 2022;

- royalty expenses paid to our Promoter, Sunil Suresh for using the brand "*Stanley*" from ₹ 12.22 million in Fiscal 2021 to ₹ 10.40 million in Fiscal 2022;

- expenditure on corporate social responsibility from ₹ 6.10 million in Fiscal 2021 to ₹ 3.55 million in Fiscal 2022;

- rates and taxes from ₹ 4.23 million in Fiscal 2021 to ₹ 3.95 million in Fiscal 2022;

- repairs and maintenance expense on (i) plant and machinery from ₹ 5.73 million in Fiscal 2021 to ₹ 2.86 million in Fiscal 2022; and (ii) leasehold facilities from ₹ 14.60 million in Fiscal 2021 to ₹ 6.64 million in Fiscal 2022;

- loss on sale of property, plant and equipment from ₹ 34.43 million in 2021 to ₹ 2.34 million in Fiscal 2022 due to write-off of old assets which was not in use as at Fiscal 2021; and

- provision for credit allowances from ₹ 15.38 million in Fiscal 2021 to ₹ 1.90 million in Fiscal 2022 primarily on account of reduction in credit anticipated by the management.

However, as a percentage of revenue from operations in the respective periods, other expenses decreased to 18.96% in Fiscal 2022 compared to 21.16% in Fiscal 2021 primarily due to increase sales on account of increase demand for our products.

Restated Profit Before Tax

For the reasons discussed above, restated profit before tax was ₹ 62.20 million in Fiscal 2021 compared to a profit of ₹ 319.36 million in Fiscal 2022.

Tax Expenses

Current tax expenses increased from ₹ 48.60 million in Fiscal 2021 to ₹ 103.54 million in Fiscal 2022; deferred tax credit was ₹ 34.00 million in Fiscal 2021 compared to ₹ 18.77 million in Fiscal 2022, primarily on account of an increase in profit before tax and increase in deferred tax on temporary differences between accounting and tax books; and short/(excess) provision of tax relating to earlier was ₹ 28.37 million in Fiscal 2021 compared to ₹ 2.40 million in Fiscal 2022 primarily on account of excess/ short provision towards taxation created for past fiscals. As a result, total tax expenses amounted to ₹ 87.17 million in Fiscal 2022 compared to ₹ 42.97 million in Fiscal 2021.

Restated Profit for the Year

We recorded a restated profit for the year of ₹ 232.19 million in Fiscal 2022 compared to a restated profit for the year of ₹ 19.23 million in Fiscal 2021. Further, of the restated profit for the year, ₹ 18.70 million in Fiscal 2022 and ₹ 8.92 million in Fiscal 2021 were attributable to non-controlling interest to the minority shareholders in certain of our Subsidiaries while the profit attributable to our Company was ₹ 213.49 million and ₹ 10.31 million in Fiscal 2022 and Fiscal 2021, respectively

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 590.08 million in Fiscal 2022 compared to EBITDA of ₹ 297.75 million in Fiscal 2021, while EBITDA Margin was 20.19% in Fiscal 2022 compared to 15.21% in Fiscal 2021.

For reconciliation of EBITDA and EBITDA Margin, see " *Other Financial Information – Reconciliation of EBITDA, EBITDA Growth, Revenue from Operations Growth and EBITDA Margin*" on page 314.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations through a combination of internal accruals and external borrowings.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statement, for the periods indicated:

	Fiscal		
	2021	**2022**	**2023**
	(₹ million)		
Net cash generated from operating activities	329.80	285.23	679.71
Net cash (used in) investing activities	(31.69)	(116.21)	(273.90)
Net cash (used in) financing activities	(238.75)	(187.66)	(411.70)
Net decrease in cash and cash equivalents	59.36	(18.64)	(5.89)
Cash and cash equivalents at the end of the year	**121.21**	**102.57**	**96.68**

Operating Activities

Fiscal 2023

Net cash flow generated from operating activities was ₹ 679.71 million in Fiscal 2023. Our profit for the year in Fiscal 2023 was ₹ 464.00 million. Adjustments included depreciation and amortisation expenses of ₹ 282.50 million, gain on sale of property, plant and equipment (net) of ₹ 2.93 million, provision for doubtful trade receivables and advances (net) including bad debts of ₹ 7.79 million, finance costs of ₹ 146.91 million, unrealized foreign exchange (gain) (net) of ₹ 0.07 million, interest income of ₹ 35.72 million, provision for warranty of ₹ 2.58 million, liabilities no longer required written back of ₹ 15.96 million and share based payment expense of ₹ 6.94 million. Operating profit before working capital changes was ₹ 856.04 million in Fiscal 2023.

Adjustments in operating assets included increase in financial assets of ₹ 30.97 million, increase in inventories of ₹ 32.17 million, decrease in trade receivables of ₹ 16.29 million and a decrease in other assets of ₹ 19.31 million. Further, adjustments in operating liabilities includes decrease in trade payables of ₹ 34.92 million, a decrease in current provisions of ₹ 4.40 million and an increase in other current liabilities of ₹ 25.62 million. Cash generated from operations in Fiscal 2023 was ₹ 814.80 million. Income taxes paid (net) in Fiscal 2023 was ₹ 135.09 million.

Fiscal 2022

Net cash flow generated from operating activities was ₹ 285.23 million in Fiscal 2022. Our profit for the year in Fiscal 2022 was ₹ 319.36 million. Adjustments included depreciation and amortisation expenses of ₹ 217.45 million, loss on sale of property, plant and equipment (net) of ₹ 2.34 million, provision for doubtful trade receivables and advances (net) including bad debts of ₹ 3.88 million, finance costs of ₹ 108.78 million, unrealized foreign exchange gain (net) of ₹ 10.65 million, interest income of ₹ 40.53 million, provision for warranty of ₹ 2.22 million, and liabilities no longer required written back of ₹ 3.96 million. Operating profit before working capital changes was ₹ 598.89 million in Fiscal 2022.

Adjustments in operating assets included increase in financial assets of ₹ 14.15 million, increase in inventories of ₹ 228.80 million, increase in trade receivables of ₹ 53.84 million and an increase in other assets of ₹ 41.57 million. Further, adjustments in operating liabilities included decrease in financial liabilities of ₹ 0.10 million, an increase in trade payables of ₹ 78.95 million, an increase in current provisions of ₹ 0.43 million and an increase in other current liabilities of ₹ 59.76 million. Cash generated from operations in Fiscal 2022 was ₹ 399.57 million. Income taxes paid (net) in Fiscal 2022 was ₹ 114.34 million.

Fiscal 2021

Net cash flow generated from operating activities was ₹ 329.80 million in Fiscal 2021. Our profit for the year in Fiscal 2021 was ₹ 62.20 million. Adjustments included depreciation and amortisation expenses of ₹ 207.14 million, loss on sale of property, plant and equipment (net) of ₹ 34.43 million, provision for doubtful trade receivables and advances (net) including bad debts of ₹ 18.07 million, finance costs of ₹ 87.72 million, unrealized foreign exchange gain (net) of ₹ 3.20 million, interest income of ₹ 46.09 million, provision for warranty of ₹ 0.03 million, and liabilities no longer required written back of ₹ 4.99 million. Operating profit before working capital changes was ₹ 355.31 million in Fiscal 2021.

Adjustments in operating assets included a decrease in financial assets of ₹ 11.94 million, increase in inventories of ₹ 87.35 million, increase in trade receivables of ₹ 38.16 million and an increase in other assets of ₹ 30.45 million. Further, adjustments in operating liabilities included a decrease in financial liabilities of ₹ 18.79 million, an increase in trade payables of ₹ 134.63 million, an increase in current provisions of ₹ 0.76 million and an increase in other current liabilities of ₹ 43.44 million. Cash generated from operations in Fiscal 2021 was ₹ 371.33 million. Income taxes paid (net) in Fiscal 2021 was ₹ 41.53 million.

Investing Activities

Fiscal 2023

Net cash used in investing activities in Fiscal 2023 was ₹ 273.90 million, primarily due to purchase of property, plant and equipment, intangible assets (including capital work-in-progress and capital advances) of ₹ 303.13 million, investment in intangible assets under development of ₹ 11.23 million, investment in goodwill of ₹ 10.22 million, an advanced amount paid of ₹ 2.00 million and changes in non-controlling interest of ₹ 6.41 million. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 4.45 million, proceeds from bank deposits of ₹ 6.38 million and interest received of ₹ 48.26 million.

Fiscal 2022

Net cash used in investing activities in Fiscal 2022 was ₹ 116.21 million, primarily due to purchase of property, plant and equipment, intangible assets (including capital work-in-progress and capital advances) of ₹ 221.30 million, investment in goodwill of ₹ 1.48 million and changes in non-controlling interest of ₹ 6.92 million. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 0.86 million, proceeds from bank deposits of ₹ 99.98 million, an advanced received of ₹ 2.00 million and interest received of ₹ 10.65 million.

Fiscal 2021

Net cash used in investing activities in Fiscal 2021 was ₹ 31.69 million, primarily due to purchase of property, plant and equipment, intangible assets (including capital work-in-progress and capital advances) of ₹ 105.05 million. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 2.78 million, proceeds from bank deposits of ₹ 37.31 million, interest received of ₹ 32.69 million and changes in non-controlling interest of ₹ 0.58 million.

Financing Activities

Fiscal 2023

Net cash used in financing activities in Fiscal 2023 was ₹ 411.70 million, primarily on account of dividend paid of ₹ 170.00 million, payment of lease rentals of ₹ 131.64 million, interest on lease rentals of ₹ 122.32 million, repayment of borrowings of ₹ 15.01 million and interest paid on borrowings of ₹ 19.33 million, which was partially offset by proceeds from short term borrowings (net) of ₹ 47.85 million

Fiscal 2022

Net cash used in financing activities in Fiscal 2022 was ₹ 187.66 million, primarily on account of dividend paid of ₹ 50.00 million, payment of lease rentals of ₹ 89.90 million, interest on lease rentals of ₹ 93.29 million, and interest paid on borrowings of ₹ 12.80 million, which was partially offset by repayment of borrowings ₹ 58.33 million

Fiscal 2021

Net cash used in financing activities in Fiscal 2021 was ₹ 238.75 million, primarily on account of repayment of borrowings of ₹ 70.28 million, interest paid on borrowings of ₹ 6.10 million, interest on lease rentals of ₹ 78.81 million and payment of lease rentals of ₹ 83.56 million.

INDEBTEDNESS

As of March 31, 2023, we had total outstanding financial indebtedness of ₹ 93.70 million, which is a total of non-current borrowings of ₹ 2.29 million and current borrowings of ₹ 91.41 million. The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2023:

Particulars	Total	Less Than 1 Year	1 – 3 Years	More than 3 Years
	(₹ million)			
Current Borrowings				
Loan from related parties	47.85	47.85	-	-
Secured	43.56	43.56	-	-

Particulars	Total	Less Than 1 Year	1 – 3 Years	More than 3 Years
	(₹ million)			
Non-current Borrowings				
Secured	2.29	-	2.29	-
Total	93.70	91.41	2.29	-

For further information on our outstanding indebtedness, see "*Financial Indebtedness*" on page 316.

CONTRACTUAL OBLIGATIONS

The table below sets forth our remaining contractual maturity for our non-derivative financial liabilities as of March 31, 2023. These obligations primarily relate to our contractual maturities of financial liabilities such as borrowings, trade payables, other financial liabilities (current) and lease liabilities.

	Total	Due in 1st year	Above 1st year
	(₹ million)		
Lease liabilities	1,418.99	167.93	1,251.06
Borrowings	93.70	91.41	2.29
Trade payable	437.95	437.95	-
Other financial liabilities (Current)	0.35	0.35	-
Total financial liabilities	**1,950.99**	**697.64**	**1,253.35**

CONTINGENT LIABILITIES

The following table sets forth the principal components of our contingent liabilities as of March 31, 2023:

Particulars	As of March 31, 2023
	(₹ million)
(i) Atria mall case(1)	26.34
(ii) Income tax (relating to disallowance of expenses / deduction, expense claimed and adjustments)(2)	1.12
(iii) Others (relating to consumer complaints and other matters)	1.80
(iv) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	7.88
(v) Capital Account contract with Interiocraft Private Limited(3)	2.68
Total	**39.82**

Notes:

(1) *M/S Alif Enterprises & Ors. Have filed suit against us for non-payment of rent, hoarding and other maintenance charges for the space allocated in "Atria Mall" which amounts to ₹ 26.34 million. We have filed counter claim against M/S. Alif Enterprises & Ors. For loss suffered due to the poor maintenance in "Atria Mall".*

(2) *An order under section 201(1) and 201A of the Income Tax Act, 1061 has been received invoking provision u/2 2(22)(e) of Income Tax Act, 1961 treating intercompany transactions as a deemed dividend. The demand is ₹ 1.40 million and we have appealed against the same by remitting 20%, i.e., ₹ 0.28 million under dispute. In Fiscal 2022, the appeal has been allowed in our favour and subsequent to the year end, we have applied for a refund of ₹ 0.28 million.*

(3) *A sum of ₹ 2.68 million under litigation presently before "West District Legal Service Authority" pertaining to capital account contract with Interiocraft Private Limited".*

For further information, see "*Restated Consolidated Financial Information – Note 39*" on page 306.

CAPITAL COMMITMENTS

As of the March 31, 2023, there is an estimated amount of ₹ 25.72 million contracts remaining to be executed on capital account and not provided for (net of advances).

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. Related parties with whom transactions have taken place during the year includes amongst others sales, purchases, reimbursement of expenses, advertisement and business promotion expenses, purchases, reimbursement of INCOM, reimbursement paid for statutory payments, salaries, dividend, royalty paid to our Promoter, Sunil Suresh and advance received from our Promoter, Shubha Suresh.

For further information see "*Restated Consolidated Financial Information – Note 38"* on page 294.

AUDITOR OBSERVATIONS

Our Statutory Auditors have included the following Emphasis of Matters:

As at and for the year ended March 31, 2021

"*We draw attention to Note 2.1 to the Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013, as amended. The Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.*

Our opinion is not modified in respect of this matter."

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our Board has the overall responsibility for the establishment and oversight of the their risk management framework. We have constituted a risk management committee. We have in place a risk management framework to identify, evaluate business risks and challenges across our Company. The risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. Our audit committee oversees how management monitors compliance with our risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by us. The audit committee is assisted in its oversight role by internal audit which regularly reviews risk management controls and procedures, the results of which are reported to the audit committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

Our functional currency is in Indian Rupee. We undertake transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. We are generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars, Euro, GBP, AED, NOK and YEN.

Commodity price risk

We do not enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. We are exposed to credit risk from its operating activities mainly trade receivables. We have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by us through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which we grant credit terms in the normal course of business.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the our short-term, medium-term and long-term funding. We manage liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings are principally denominated in rupees at floating rates of interest.

CAPITAL EXPENDITURES

Our payment towards purchase of property, plant and equipment was ₹ 105.05 million, ₹ 221.30 million, and ₹ 303.13 million in Fiscal 2021, 2022 and 2023, respectively. The following table sets forth our property, plant and equipment for the periods indicated:

(₹ million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023
Purchase of property, plant and equipment and capital work in progress	105.05	221.30	303.13
Total	105.05	221.30	303.13

For further information, see "*Restated Consolidated Financial Information*" on page 235.

SIGNIFICANT ECONOMIC CHANGES

To the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no "unusual" or "infrequent" events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in "*-Significant Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 322 and 26, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 171 and 320, respectively, there are no known factors that might affect the future relationship between costs and revenues.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products and business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 26, 126 and 171, respectively, for further information on competitive conditions that we face.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "*– Fiscal 2023 compared to Fiscal 2022*", and "*– Fiscal 2022 compared to Fiscal 2021*" above on pages 337 and 340, respectively.

SEGMENT REPORTING

As defined in Ind-AS 109 – Operating Segments, the business segment in which our Company operates is 'manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories.' Our Company does not have any geographical segment.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business is not subject to seasonal variations.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as stated below there have been no circumstances that have arisen since the date of the Restated Consolidated Information as disclosed in this Draft Red Herring prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

Trademark Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company ("Trademark Assignment Deed")

In terms of the Trademark Assignment Deed, one of our Promoters, Sunil Suresh, perpetually and irrevocably assigned, sold and transferred to our Company the entire worldwide rights, title and interest in and to the trademarks associated with primary brands and other brands which are necessary for our business and operations (including, *inter alia,* and along with any and all intellectual property rights contained therein and related thereto.

Pursuant to the Trademark Assignment Deed, our Company shall pay our Promoter, Sunil Suresh in the following manner: (a) sum of ₹15 million at the time of execution of the Trademark Assignment Deed; (b) ₹ 90 million on the application for transfer of the trademarks on or before the second quarter of Financial Year 2024, i.e. on or before September 30, 2023; and (c) ₹ 120 million in four equal quarterly instalments of ₹ 30 million each across the following quarters: (i) third quarter of Financial Year 2024 (i.e., on or before December 31, 2023); (ii) fourth quarter of Financial Year 2024 (i.e., on or before March 31, 2024); and (iii) first quarter of Financial Year 2025 (i.e., on or before June 30, 2024); and (iv) second quarter of Financial Year 2025 (i.e., on or before September 30, 2024).

Copyright Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company ("Copyright Assignment Deed")

In terms of the Copyright Assignment Deed, one of our Promoters, Sunil Suresh, perpetually and irrevocably assigned, sold and transferred to our Company the entire worldwide rights, title and interest in and to the artworks associated with primary brands and other brands which are necessary for our business and operations (including, *inter alia,* and along with any and all intellectual property rights contained therein and related thereto.

Pursuant to the Copyright Assignment Deed, our Company shall pay our Promoter, Sunil Suresh in the following manner: (a) ₹ 10 million at the time of execution of the Copyright Assignment Deed; (b) ₹ 60 million on the application for transfer of the copyrights on or before the second quarter of Financial Year 2024, i.e. on or before September 30, 2023; and (c) ₹ 80 million in four equal quarterly instalments of ₹ 20 million across the following quarters: (i) third quarter of Financial Year 2024 (i.e., on or before December 31, 2023); (ii) fourth quarter of Financial Year 2024 (i.e., on or before March 31, 2024); (iii) first quarter of Financial Year 2025 (i.e., on or before June 30, 2024); and (iv) second quarter of Financial Year 2025 (i.e., on or before September 30, 2024).

For further information, see "*History and Certain Corporate Matters – Other material agreements*" on page 213.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; (iv) other pending material litigations, in each case involving our Company, Directors, Promoters or Subsidiaries (collectively, the "**Relevant Parties**"); and (v) litigation involving our Group Company which have a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by the SEBI or the Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action.*

For the purpose of disclosure of pending material litigation in (iv) above, our Board in its meeting held on August 31, 2023, *has considered and adopted a policy of materiality ("**Materiality Policy**"), for identification of material civil litigation for the Relevant Parties. In terms of the Materiality Policy, any outstanding litigation involving a claim or an amount which exceeds ₹ 3.50 million, being the amount equivalent to 1% of the profit after tax for the Financial Year 2023 as per the Restated Consolidated Financial Information, i.e. ₹ 349.77* million*, would be considered 'material'. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, performance, prospectus, reputation, results of operations or cash flows of our Company. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 1% of the Restated profit after tax for the latest Financial Year as per the Restated Consolidated Financial Information.*

For the purposes of this section, pre-litigation notices (excluding statutory/regulatory/governmental/tax authorities or notices threatening criminal action) and matters in which summons have not been received, have not been considered material and/or have not been disclosed as pending matters until such time that our Company, Directors, Promoters or Subsidiaries, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor (on the basis of trade payables) of our Company having a monetary value which exceeds 5% of the total trade payables of our Company as of March 31, 2023 shall be considered as 'material'. Accordingly, as on March 31, 2023, any outstanding dues exceeding ₹ 21.90 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. Further, for outstanding dues to MSMEs, the disclosure is based on information available with our Company regarding status of the creditors under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

Litigation involving our Company

Litigation against our Company

Actions taken by Regulatory and Statutory Authorities

Our Company

Our Company had filed three adjudication applications, each dated August 11, 2023 ("**Adjudication Applications**"), with the RoC for contravention under Sections 454 and 460 of the Companies Act, 2013 for omission in filing of Forms MGT-14 within the stipulated time period, for board resolutions dated (a) May 20, 2019, for the purposes of availing a credit facility for online payments up to ₹ 0.5 million; (b) September 27, 2021, for the purposes of availing an auto loan of ₹ 7.5 million; and (c) December 16, 2019, for the purposes of reduction in the remuneration of two directors of our Company, Sunil Suresh and Shubha Sunil. The corresponding Forms GNL-1 were submitted, along with the Adjudication Applications. There has been no penalty levied from the Company in respect of these matters, as on the date of this Draft Red Herring Prospectus. The matters are currently pending.

Our Company received letters from the RoC dated October 9, 2020, October 29, 2020, June 21, 2021, and June 22, 2021, respectively, seeking documents and information under Section 206 of the Companies Act, 2013, pertaining to our Company and SOSL. Our Company, on behalf of itself and SOSL, responded *vide* letters dated October 27, 2020, November 4, 2020 and July 28, 2021 respectively. Subsequently, our Company received a notice of inquiry from the RoC dated April 19, 2022 under Section 206(4) of the Companies Act, 2013, directing our Company to submit financial statements and certain other information. Our Subsidiary, Sana Lifestyles also received letter from the RoC dated April 19, 2022 seeking certain additional documents and information. Thereafter, our Company, on behalf of itself, SRL, and Sana Lifestyles provided a response to the RoC through letters dated April 27, 2022, and May 11, 2022. Subsequently, the RoC upon conducting inquiry against our Company under Section 206 of the Companies Act, 2013 and pursuant to notice dated July 1, 2022 alleged violation of certain provisions, including, *inter alia*, Section 118(10), Section 188, Section 135, Section 177, Section 178 and Section 96 of the Companies Act, 2013. Our Company has responded to the same *vide* letters dated July 15, 2022 and July 21, 2022 respectively.

Similarly, the RoC upon conducting inquiry against SOSL under Section 206 of the Companies Act, 2013, and through notices to the SOSL dated June 10, 2022 alleged violations of certain provisions including inter alia, Section 96, Section 101 and Section 146 of the Companies Act, 2013. SOSL responded to and denied the alleged violations (other than the delay in convening of SOSL's annual general meeting for the Financial Year 2020-21, for which SOSL had applied for compounding and paid the requisite penalty, and for the delay in filing of Form MGT-14 for the Financial Year 2018-19), vide letters dated June 17, 2022 and June 30, 2022 respectively.

Further, certain of our Subsidiaries, namely, SRL and Sana Lifestyles received letters from the RoC dated October 7, 2020 and October 19, 2020 respectively, seeking documents and information under Section 206 of the Companies Act, 2013. SRL and Sana Lifestyles responded *vide* letter dated October 22, 2020 and October 29, 2020, respectively. Further, SRL received another letter from the RoC upon non-filing of the annual returns, dated June 22, 2021 pertaining to SRL and Sana Lifestyles. SRL responded, on behalf of itself and Sana Lifestyles *vide* letter dated July 28, 2021. Subsequently, SRL and Sana Lifestyles received a notice of inquiry from the RoC dated April 19, 2022 under Section 206(4) of the Companies Act, 2013, directing SRL and Sana Lifestyles to submit financial statements and certain other information. Our Company, on behalf of itself, SRL, and Sana Lifestyles provided a response to the RoC inquiry notice through letters dated April 27, 2022, and May 11, 2022, respectively. Thereafter, SRL and Sana Lifestyles received an email from the RoC dated December 1, 2022 seeking certain additional documents and information. SRL and Sana Lifestyles replied *vide* email dated December 5, 2022. Thereafter, SRL and Sana Lifestyles received another letter from the RoC dated January 20, 2023 seeking certain additional documents for further examination, to which SRL and Sana Lifestyles responded through letters dated January 27, 2023, February 24, 2023, April 20, 2023 and April 27, 2023 respectively.

The matters are currently pending.

Criminal Litigation

Nil

Material Civil Litigation

M/s Alif Enterprises and Others ("**Petitioner**") have filed a suit in the Small Causes Court of Bombay ("**Court**") against our Company for non-payment of compensation and license fees, hoarding and other display and maintenance charges amounting to ₹ 26.33 million (excluding interest) for the space allocated to our Company for display and sales of its products ("**Premise**") in Atria Mall, Mumbai, as per the leave and license agreement dated May 30, 2009 executed between the Petitioner and our Company. Subsequently, our Company had submitted a written statement dated December 17, 2012, to the Court, making a counter claim against the Petitioner for loss suffered due to the poor maintenance in Atria Mall, Mumbai, which caused hindrance in completion of the interior designing work started by our Company on the Premise. On account of loss in the business suffered by our Company, a counter claim of ₹ 46.56 million was made on December 17, 2012 against the Petitioner. The matter is still pending.

Litigation by our Company

Criminal Litigation

Nil

Litigation involving our Promoters

Litigation against our Promoters

Actions taken by Regulatory and Statutory Authorities

Nil

Disciplinary action taken, including penalty imposed by SEBI or stock exchanges against our Promoters in the five Financial Years preceding the date of this Draft Red Herring Prospectus

Nil

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation by our Promoters

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Directors

Litigation against our Directors

Actions taken by Regulatory and Statutory Authorities

Nil

Criminal Litigation

Nil

Material Civil Litigation

Nil

Notices

Nil

Litigation by our Directors

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Actions taken by Regulatory and Statutory Authorities

1. ASPL, is in receipt of a notice dated March 29, 2023, from the Office of the Deputy Commissioner (Advertisement), Advertisement Department, Municipal Corporation of Delhi ("**MCD Notice**"), alleging illegal display of the advertisement at M/s. Stanley Level Next, 350-355, Mehrauli-Gurgaon Road, Sultanpur, New Delhi, Delhi, 110 030, without written permission for the said displays from the competent authority, in violation of the applicable provisions of Delhi Municipal Corporation Act, 1957, advertisement bye-laws, Delhi Prevention of Defacement of Property Act 2007, and the Outdoor Advertisement Policy 2017, as approved by the Supreme Court of India. The MCD Notice directed all displays/light-emitting diodes of the advertisement made without written permission to be removed within seven days of issue of the notice along with a penalty at the rate of two times of applicable permission fee recoverable for displays without permission. ASPL responded to the MCD Notice *vide* letter dated June 1, 2023, intimating the concerned officer of the removal of the temporary branding. ASPL thereafter received a subsequent notice from the Commercial Officer, Advertisement Department, Municipal Corporation of Delhi on June 12, 2023, alleging violations in the process followed in seeking permission for such displays. ASPL through a letter dated June 23, 2023, has responded to the same and has not received any communication post the letter dated June 23, 2023. The matter is currently pending.

2. SOSL has made an application dated August 7, 2023 before the RoC for adjudication of penalty under Sections 454 and 460 of the Companies Act, 2013, imposed in relation to non-filing of e-form MGT-14 within the stipulated time period for a special resolution passed on April 1, 2018, for availing loan from our Company. The matter is currently pending.

3. An inquiry under Section 206 of the Companies Act, 2013, was instituted against certain of our subsidiaries namely SRL,

SOSL and Sana Lifestyles. For further details see "– *Litigation involving our Company – Actions taken by Regulatory and Statutory Authorities*" on page 349.

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation by our Subsidiaries

Criminal Litigation

Nil

Material Civil Litigation

Nil

Litigation involving our Group Company

Nil

Taxation claims

Except as disclosed below, there are no proceedings related to direct and/or indirect taxes pending against our Company, Promoters, Directors and Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Our Company		
Direct Tax	8	39.65
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	14	31.86
Indirect Tax	Nil	NA
Our Directors#		
Direct Tax	15	32.20
Indirect Tax	Nil	NA
Our Subsidiaries		
Direct Tax	2	2.09
Indirect Tax	4	7.99

#Includes Promoters.
** To the extent quantifiable.*

Tax proceedings

Material taxation matters involving our Company

1. For assessment year 2012-13, our Company received a demand notice under Section 143(2) of the Income Tax Act, 1961 from the Deputy Commissioner of Income-Tax, Circle - 6(1)(2), Bangalore, Income Tax Department, Government of India for an additional tax liability of ₹ 0.36 million due to disallowance of the income from an investment in a mutual fund by our Company. Thereafter, our Company discharged the additional tax liability of ₹ 0.36 million. However, the income tax portal continued to reflect outstanding demand of ₹ 7.31 million to be paid by our Company for the assessment year 2012-13. Further, our Company received an issue letter dated January 27, 2023 from the Office of the Deputy Commissioner of Income Tax Central Circle-1(1), Bangalore, Income Tax Department, Government of India demanding payments towards outstanding dues for various assessment years from 2008 to 2016 including an outstanding demand of ₹ 7.31 million for the assessment year 2012-13. Our Company has in its responses dated March 30, 2023 denied the claims and has requested for a rectification of records. The matter is currently pending.

2. For assessment year 2011-12, our Company was selected for scrutiny *vide* a notice dated September 12, 2012 issued under Section 143(2) of the IT Act, 1961. Subsequently, an assessment order under Section 143(3) was issued by the Deputy Commissioner of Income-Tax, Circle - 12(3), Bangalore, Income Tax Department, Government of India ("**Deputy Commissioner of Income Tax**") on March 17, 2014 with a tax liability of ₹ 17.96 million. It was assessed by the assessing officer due to disallowance of belated provident fund and employees' state insurance payments and additions on account of interest not being charged on unsecured intercompany loan. The assessing officer thereafter issued a demand notice

under Section 143(3) dated April 28, 2014 for ₹ 17.96 million to which our Company responded *vide* letter dated May 5, 2014. Our Company preferred an appeal under Section 250 of the Income Tax Act, 1961 against the order before the Commissioner of Income Tax Appeals, Bangalore, Income Tax Department, Government of India ("**CIT(A)**") on April 10, 2014. The CIT(A) partially allowed our Company's appeal. Our Company paid the tax liability including the applicable interest subsequently as per the income tax return, without considering the additions made by the assessing officer. Aggrieved by the order of the CIT(A) dated February 24, 2017 our Company filed an appeal against the order with the Income Tax Appellate Tribunal, Bangalore, Income Tax Department, Government of India ("**ITAT**"). Accordingly, the ITAT set aside the order passed by CIT(A) *vide* an appellate order dated March 25, 2019 and allowed the appeal. However, the income tax portal continues to reflect an outstanding demand of ₹ 11.78 million for the assessment year 2011-12. Further, our Company has received an issue letter dated January 27, 2023 from the Office of the Deputy Commissioner of Income Tax Central Circle-1(1) at Bangalore, Income Tax Department, Government of India demanding payments towards demands outstanding for various assessment years from 2008 to 2016 including an outstanding demand of ₹ 11.78 million for the assessment year 2011-12. Our Company has on March 30, 2023 replied to the issue letter denying the claims of outstanding demand along with certain documents, to demonstrate that all the tax liability for the assessment year 2011-12 had been discharged by our Company and has requested for a rectification of records. The matter is currently pending for rectification of records before the concerned tax authorities.

3. For assessment year 2009-10, our Company filed a revised income tax return, declaring a total income of ₹ 45.62 million with a balance tax liability of ₹ 16.73 million as well as value for fringe benefits of ₹ 1.32 million with a balance tax liability of ₹ 0.49 million. Our Company paid the balance tax liability including applicable interest. However, the income tax portal continues to reflect outstanding demands of ₹ 15.71 million and ₹ 0.58 million to be paid by our Company, for the assessment year 2009-10. Further, our Company has received an issue letter dated January 27, 2023, from the Office of the Deputy Commissioner of Income Tax Central Circle-1(1) at Bangalore, Income Tax Department, Government of India demanding payments towards demands outstanding for various assessment years from 2008 to 2016 including outstanding demands of ₹ 15.71 million and ₹ 0.58 million for the assessment year 2009-10. Our Company has on March 30, 2023 replied to the issue letter denying the claims of outstanding demand along with certain documents to demonstrate that all the tax liabilities for the assessment year 2009-10 had been discharged by our Company and has requested for a rectification of records. The matter is currently pending for rectification of records before the concerned tax authorities.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of March 31, 2023, based on the Restated Consolidated Financial Information of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of March 31, 2023, was ₹ 437.95 million and accordingly, creditors to whom outstanding dues as of March 31, 2023, exceed ₹ 21.90 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

As of March 31, 2023, there is one material creditor to whom our Company owes an aggregate amount of ₹ 22.00 million. Details of outstanding dues towards our material creditors are available on the website of our Company at https://www.stanleylifestyles.com/pdf/other/Material%20Creditors%202023.pdf.

Based on the Materiality Policy, details of outstanding dues owed to MSME creditors, material creditors and other creditors as of March 31, 2023, by our Company, on a consolidated basis are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	57	57.01^
Material Creditors*	1	22.00
Other creditors	367	358.93^
Total	**425**	**437.95**

**MSME creditor.*
^Including provisions and amounts not attributable to individual creditors.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments occurring after March 31, 2023 or significant economic changes that materially affected or are likely to affect income from continuing operations*" on page 348 and as otherwise disclosed in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our Company and Material Subsidiaries have received the following material approvals, consents, licenses, permissions, and registrations from various governmental, statutory and/or regulatory authorities required to be obtained by our Company and our Material Subsidiaries for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake the Offer and its business activities, as applicable. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired in their normal course, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" and "Risk Factors" on pages 200 and 26, respectively.*

Our Company is primarily involved in the business of manufacturing of, *inter alia*, sofas, cabinetry, dining, and bedroom furniture. For details, see "*Our Business*" on page 171. The material approvals in relation to the business of our Company are provided below:

I. Material Approvals in relation to our Company

(1) *Incorporation Details*

a. Certificate of incorporation dated October 11, 2007, issued to our Company under the name 'Stanley Lifestyles Limited' by the RoC, under the Companies Act, 1956.

b. Certificate for commencement of business dated December 14, 2007, issued to our Company by the RoC.

c. Our Company has been allotted the corporate identity number U19116KA2007PLC044090.

(2) *Material Approvals in relation to business operations*

a. License to work a factory under the Factories Act, 1948, and state specific rules made thereunder, issued by the Department of Factories Boilers Industrial Safety & Health, Government of Karnataka.

b. Consent for establishment under the Water (Prevention & Control of Pollution) Act, 1974, & the Air (Prevention & Control of Pollution) Act, 1981, issued by the Karnataka State Pollution Control Board.

c. Combined consent for operation for discharge of effluents under the Water (Prevention and Control of Pollution) Act, 1974 and emission under Air (Prevention and Control of Pollution) Act, 1981, and the rules and orders made thereunder, issued by the Karnataka State Pollution Control Board.

d. Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016 issued by the Karnataka State Pollution Control Board.

e. Approval of electrical installation under the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulation, 2010, issued by Office of the Deputy Chief Electrical Inspector, Bengaluru South Division, Government of Karnataka.

(3) *Trade-related approvals*

a. Importer-Exporter Code (IEC) from the Office of Joint Directorate General of Foreign Trade, Ministry of Commerce, Government of India on February 1, 2008.

b. Trade license for the state of Karnataka from the relevant municipal authority.

(4) *Tax related registrations*

a. The permanent account number of our Company is AALCS3766P.

b. The tax deduction account number of our Company is BLRS27505C.

c. The goods and services tax identification number of our Company for Karnataka is 29AALCS3766P1ZB.

d. The professional tax registration number of our Company for the state of Karnataka is 327731298.

(5) *Material labour and employment related approvals*

a. Registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Office of the Assistant Labour Commissioner at Bengaluru, Department of Labour, Government of Karnataka.

b. Registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, and Payment of Gratuity Act, 1972.

II. Approvals in relation to the Offer

For details of the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 357.

III. Material Approvals in relation to our Material Subsidiaries

Our Company has five Material Subsidiaries, namely, (i) SRL, (ii) SOSL, (iii) SDPL, (iv) ASPL and (v) SSPL. For details, see "*History and Certain Corporate Matters - Our Subsidiaries*" on page 208.

SOSL is primarily involved in the business of, manufacturing, *inter alia*, sofas, cabinetry, dining, and bedroom furniture. For details, see "*Our Business*" on page 171. The material approvals in relation to the business of SOSL are provided below:

a. License to work a factory under the Factories Act, 1948 and state specific rules made thereunder, issued by the Department of Factories Boilers Industrial Safety & Health, Government of Karnataka.

b. Registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Office of the Assistant Labour Commissioner at Bengaluru, Department of Labour, Government of Karnataka.

c. Consent for establishment under the Water (Prevention & Control of Pollution) Act, 1974, and the Air (Prevention & Control of Pollution) Act, 1981, issued by the Karnataka State Pollution Control Board.

d. Combined consent for operation for discharge of effluents under the Water (Prevention & Control of Pollution) Act, 1974, and emission under Air (Prevention & Control of Pollution) Act, 1981, and the rules and orders made thereunder, issued by the Karnataka State Pollution Control Board.

e. Authorization under the Hazardous & Other Wastes (Management & Transboundary Movement) Rules, 2016, issued by the Karnataka State Pollution Control Board.

Additionally, SRL, SDPL, ASPL and SSPL are primarily involved in the business of retail furniture, *inter alia*, sofas, cabinetry, dining, and bedroom furniture. For details, see "*Our Business*" on page 171. The material approvals in relation to the business of SRL, ASPL, SSPL and SDPL are provided below:

a. SRL, SDPL, ASPL and SSPL have obtained trade licenses from various state municipal corporations as well as shops and establishments licenses, under applicable state specific laws, for the various stores operated by them.

b. SRL has obtained registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Office of the Assistant Labour Commissioner at Bengaluru, Department of Labour, Government of Karnataka.

Our Material Subsidiaries have also obtained the requisite approvals and registrations to conduct their business activities from the appropriate regulatory and governing authorities in the respective jurisdictions in which they operate, such as, tax deduction account number and permanent account number. Our Material Subsidiaries have also obtained registrations under various central and state specific tax laws including goods and service tax acts, and professional tax laws, in the states where our business operations are located, and such registrations are required.

Our Material Subsidiaries have also obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, and Payment of Gratuity Act, 1972.

V. Material approvals applied for but not received

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company or Material Subsidiaries have applied for, but which have not been received:

a. Our Company have applied for certificate of registration as manufacturer, packer, or importer of pre-packaged commodity for sale, distribution, or delivery under the Legal Metrology Act, 2009, and the Legal Metrology (Packaged Commodities), Rules, 2011, issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, vide application dated July 24, 2023.

b. SLL and SOSL have applied for fire clearance certificate for their respective factories situated at Electronic City, Bengaluru and Bommasandra Jigani Link Road, Bengaluru from the office of the Chief Fire Officer, Bangalore, vide two applications, both dated July 7, 2023.

c. SRL has applied for a trade license from the relevant municipal authority in Karnataka for one warehouse at Electronic City, Bengaluru, vide application dated June 14, 2023.

d. SDPL has applied for a shops and establishments license for its registered office in Bengaluru, Karnataka vide application dated August 18, 2023.

e. SDPL has applied for registration under the Contract Labour (Regulation and Abolition) Act, 1970, issued by the Labour Department, Government of Telangana vide applications dated July 26, 2023.

f. SRL has applied for a trade license from the relevant municipal authority for one store at Mission Road, Bengaluru, Karnataka vide application dated August 8, 2023.

VI. Material approvals expired and not applied for renewal

As on the date of this Draft Red Herring Prospectus, there are no material approvals of our Company or its Material Subsidiaries that have expired, and for which renewal is to be applied for

VII. Material approvals required but not obtained or applied for

As on the date of this Draft Red Herring Prospectus, there are no material approvals which our Company or Material Subsidiaries are required to obtain but are not obtained or applied for.

VIII. Intellectual Property

As on the date of this Draft Red Herring Prospectus, the following is the status of trademarks and copyrights pertaining to the Company:

(i) Our Company, entered into the Trademark and Copyright Assignment Deed– I with one of our Promoters, Sunil Suresh pursuant to which Sunil Suresh transferred a total of 24 trademarks and copyrights to our Company, all of which are pending registration. Out of these 24 trademarks and copyrights, seven are objected.

(ii) Our Company, entered into the Assignment Deeds with one of our Promoters, Sunil Suresh pursuant to which Sunil Suresh transferred (a) a total of 138 trademarks to our Company, of which 87 trademarks, including STANLEY LEVEL NEXT are pending for registration and 29 of such 87 trademarks including STANLEY personal and "Stanley Vegan Leather" are currently objected and opposed to; and (b) 31 copyrights to our Company. For further details, see "*Risk Factors- We do not own the brand name "Stanley" which is registered in the name of one of our Promoters, Sunil Suresh. While we have entered into the Assignment Deeds with Sunil Suresh, however, the trademarks are yet to be registered in our name. In the event that the intellectual property rights to be assigned to us pursuant to the Assignment Deeds are not registered in our name in a timely manner our business and financial condition could be adversely affected." and "History and Certain Corporate Matters – Other material agreements*" on pages 26 and 213, respectively.

The trademarks for our brand names "Stanley Level Next", "Stanley Boutique" and "Sofas & More" are registered or applied for in the name of one of our Promoters, Sunil Suresh. Pursuant to Trademark Assignment Deed and Copyright Assignment Deed, our Promoter has filed an application with the registry of trademarks for the perpetual assignment of such trademarks in our name.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer, including the Fresh Issue of up to ₹ 2,000.00 million, has been authorised by our Board pursuant to a resolution passed at its meeting held on August 31, 2023 and by our Shareholders pursuant to a special resolution passed at their meeting held on August 31, 2023. Further, our Board has taken on record the consent of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to the resolution dated September 4, 2023. This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by the Board on September 4, 2023.

Our Company in consultation with the Book Running Lead Managers may consider a further issue of Equity Shares as may be permitted under applicable law to any person(s) of such Equity Shares for cash consideration aggregating up to ₹ 400.00 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its respective portion of Offered Shares, as follows:

Name of the Selling Shareholder	Maximum number of Equity Shares offered in the Offer for Sale	Date of resolution	Date of consent letter
Promoter Selling Shareholders			
Sunil Suresh	1,182,000	-	September 4, 2023
Shubha Sunil	1,182,000	-	September 4, 2023
Investor Selling Shareholder			
Oman India Joint Investment Fund II	5,544,454	August 9, 2023	September 4, 2023
Individual Selling Shareholders			
Kiran Bhanu Vuppalapati	1,000,000	-	September 4, 2023
Sridevi Venkata Vuppalapati	225,000	-	September 4, 2023

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is eligible to be offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations, to the extent applicable as on the date of this Draft Red Herring Prospectus.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, Directors, members of our Promoter Group, the Selling Shareholders, the persons in control of our Company, (being our Promoters), are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any company which is debarred from accessing capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters.

Our Company, Promoters and Directors have not been declared as a ‘Fraudulent Borrower’ in terms of the circular no. RBI/DBS/2016-17/28 dated July 1, 2016 issued by the Reserve Bank of India.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of our Promoter Group and the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them in relation to our Company, as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner including securities market related business. Further, no outstanding action has been initiated against any of our Directors by SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information, as indicated below:

a. Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each) (i.e. Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021), of which not more than 50% are held in monetary assets;

b. Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

c. Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

d. Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years ended March 31, 2023, March 31, 20233 and March 31, 2021, are set forth below:

(₹ in million, unless otherwise stated)

Particulars	Financial Year 2023	Financial Year 2022	Financial Year 2021
Net tangible assets, as restated[1]	2,240.51	2,036.89	1,861.39
Monetary assets, as restated[2]	96.68	102.57	121.21
Monetary assets, as a percentage of net tangible assets, as restated (in %)[3]	4.32%	5.04%	6.51%
Pre-tax operating profit, as restated[4]	544.67	372.63	90.61
Net worth, as restated[5]	2,165.02	1,997.55	1,829.32

Notes:

1. *Net tangible assets means the sum of all net assets of our Company and its Subsidiaries (together, the "**Group**") excluding intangible assets, goodwill, deferred tax assets, right of use assets and intangible assets under development, lease liabilities and deferred tax liabilities of the Group.*
2. *Monetary Assets means the aggregate of Cash and Cash Equivalents.*
3. *Monetary assets as restated as a percentage of the net tangible assets means monetary assets as restated divided by net tangible assets, as restated, expressed as a percentage.*
4. *Restated pre-tax operating profit means restated profit before tax excluding other income and finance costs.*
5. *Net worth means the aggregate value of the paid-up share capital and other equity.*

The average Operating Profit, as restated and consolidated for the last three Financial Years is ₹ 335.97 million.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, Promoters, members of our Promoter Group, Directors and the Selling Shareholders are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
(iii) Neither our Company, nor our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower;
(iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender;
(v) Except employee stock options granted pursuant to ESOP 2022, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus;
(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated July 19, 2018and June 12, 2023 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares.
(vii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus; and
(viii) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED, JM FINANCIAL LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY

WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS SEVERALLY AND NOT JOINTLY WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 4, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013 and at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, the Selling Shareholders, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.stanleylifestyles.com, or the respective websites of any affiliate of our Company would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and their respective portion of Offered shares) and the Book Running Lead Managers to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiary, the Selling Shareholders, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiary, the Selling Shareholders, their respective group companies affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus will be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to our Company as to Indian law, Banker to our Company, the Book Running Lead Managers, Registrar to the Offer, Independent Chartered Accountant, Redseer, independent chartered engineer, in their respective capacities, have been obtained, and such consents have not been withdrawn as of the date of this Draft Red Herring Prospectus. Further, consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Banks, Monitoring Agency, to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Experts to the Offer

Our Company has received written consent dated September 4, 2023 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report, dated August 31, 2023 on our Restated Financial Statements; and (ii) their report dated September 4, 2023 on the Statement of Special Tax Benefits in this Draft Red Herring Prospectus. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated September 4, 2023from N B T and Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name in this Draft Red Herring Prospectus, as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Our Company has received written consent dated September 4, 2023 from G. Shankar Rao, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated September 4, 2023, certifying, *inter alia*, the details of the installed and production capacity of our manufacturing facilities.

Such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any rights issue (as defined under the SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not undertaken any public issue in the last five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the preceding three years by our Company, listed group companies/ subsidiaries/ associates

Other than as disclosed in "*Capital Structure – Notes to the Capital Structure - Share capital history of our Company*" on page 74 and as applicable, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any associates. None of our Subsidiaries are listed on any stock exchange. Further our Group Company is not listed on any stock exchange.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares in the last five years.

Performance vis-à-vis objects – Public/ rights issue of our Company during the last five years

Our Company has not undertaken any public issue or rights issue (as defined in SEBI ICDR Regulations) in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/ listed promoter of our Company

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed on any stock exchange. Further, our Company does not have a corporate promoter.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1. Axis

Price information of past issues handled by Axis

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	TVS Supply Chain Solutions Limited(2)	8,800.00	197.00	23-Aug-23	207.05	-	-	-
2.	SBFC Finance Limited!(2)	10,250.00	57.00	16-Aug-23	82.00	-	-	-
3.	Cyient DLM Limited& (2)	5,920.00	265.00	10-Jul-23	403.00	+86.79%, [+1.11%]	-	-
4.	Mankind Pharma Limited(2)	43,263.55	1,080.00	09-May-23	1,300.00	+37.61%, [+2.52%]	+74.13%, [+6.85%]	-
5.	Elin Electronics Limited(1)	4,750.00	247.00	30-Dec-22	243.00	-15.55%, [-2.48%]	-52.06%, [-4.73%]	-29.35%, [+4.23%]
6.	Landmark Cars Limited*(1)	5,520.00	506.00	23-Dec-22	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	+35.06%, [+5.82%]
7.	Uniparts India Limited(1)	8,356.08	577.00	12-Dec-22	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
8.	Keystone Realtors Limited(1)	6,350.00	541.00	24-Nov-22	555.00	-12.26%, [-3.90%]	-9.70%, [-2.57%]	-8.64%, [-0.50%]
9.	Bikaji Foods International Limited# (1)	8,808.45	300.00	16-Nov-22	321.15	+28.65%, [-0.29%]	+26.95%, [-2.50%]	+24.17%, [+0.08%]
10.	DCX Systems Limited(1)	5,000.00	207.00	11-Nov-22	286.25	+17.10%, [+0.63%]	-12.56%, [-1.83%]	-12.32%, [-0.05%]

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
! Offer Price was ₹ 55.00 per equity share to Eligible Employees
& Offer Price was ₹ 250.00 per equity share to Eligible Employees
** Offer Price was ₹ 458.00 per equity share to Eligible Employees*
 # Offer Price was ₹ 285.00 per equity share to Eligible Employees

Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
3. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
5. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	4	68,233.55	-	-	-	1	1	-	-	-	-	-	-	-
2022-23	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-22	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. ISec

Price information of past issues handled by ISec:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Prudent Corporate Advisory Services Limited^	4,282.84	630.00(1)	20-MAY-22	660.00	-20.71%,[-5.46%]	-2.10%,[+10.92%]	+26.23%,[+13.89%]
2	Paradeep Phosphates Limited^	15,017.31	42.00	27-MAY-22	43.55	-10.24%,[-3.93%]	+27.50%,[+7.65%]	+31.19%,[+11.91%]
3	Syrma SGS Technology Limited^	8,401.26	220.00	26-AUG-22	262.00	+31.11%[-1.25%]	+29.20%,[+4.55%]	+20.66%,[+3.13%]
4	Fusion Micro Finance Limited^^	11,039.93	368.00	15-NOV-22	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
5	Five Star Business Finance Limited^^	15,885.12	474.00	21-NOV-22	468.80	+29.72%,[+1.24%]	+19.20%,[-1.19%]	+11.72%,[+0.24%]
6	Archean Chemical Industries Limited^^	14,623.05	407.00	21-NOV-22	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%, [+0.24%]
7	Landmark Cars Limited^	5,520.00	506.00(2)	23-DEC-22	471.30	+22.83%,[+1.30%]	+1.16%,[-2.72%]	+35.06%,[+5.82%]
8	KFIN Technologies Limited^^	15,000.00	366.00	29-DEC-22	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	-4.48%,[+2.75%]
9	Utkarsh Small Finance Bank Limited^^	5,000.00	25.00	21-JUL-23	40.00	+92.80%,[-2.20%]	NA*	NA*
10	SBFC Finance Limited^^	10,250.00	57.00(3)	16-AUG-23	82.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of ₹ 59 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 630.00 per equity share.
(2) Discount of ₹ 48 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 506.00 per equity share.
(3) Discount of ₹ 2 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 57.00 per equity share.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ISec:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	2	15,250.00	-	-	-	1	-	-	-	-	-	-	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

3. JM Financial

Price information of past issues handled by JM Financial:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	TVS Supply Chain Solutions Limited*	8,800.00	197.00	August 23, 2023	207.50	Not Applicable	Not Applicable	Not Applicable
2.	Cyient DLM Limited*	5,920.00	265.00	July 10, 2023	403.00	86.79% [1.11%]	Not Applicable	Not Applicable
3.	Ideaforge Technology Limited*	5,672.45	672.00	July 7, 2023	1,300.00	64.59% [0.96%]	Not Applicable	Not Applicable
4.	Avalon Technologies Limited*	8,650.00	436.00	April 18, 2023	436.00	-10.09% [2.95%]	59.45% [10.78%]	Not Applicable
5.	Elin Electronics Limited#	4,750.00	247.00	December 30, 2022	243.00	-15.55% [-2.48%]	-52.06% [-4.73%]	-29.35% [4.23%]
6.	Uniparts India Limited#	8,356.08	577.00	December 12, 2022	575.00	-5.11% [-3.24%]	-7.38% [-4.82%]	-0.60% [0.80%]
7.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	56.87% [-1.19%]	32.68% [0.24%]
8.	Bikaji Foods International Limited#7	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	26.95% [-2.50%]	24.23% [0.08%]
9.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	35.94% [-3.47%]	61.67% [-0.52%]
10.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	12.84% [-2.97%]	25.52% [-0.48%]

Source: www.nseindia.com and www.bseindia.com
 # BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*

3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *Not Applicable – Period not completed*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium- 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-2024	4	29,042.45	-	-	1	2	-	-	-	-	-	-	-	-
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	2	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4

4. SBICAPS

Price information of past issues handled by SBI Capital Markets Limited:

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Senco Gold Limited#	4050.00	317.00	July 14, 2023	430.00	25.28% [-0.70%]	-	-
2	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	2.14% [4.34%]	-15.82% [-2.83%]
3	Paradeep Phosphates Limited @	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
4	Life Insurance Corporation of India (1)@	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
5	Star Health and Allied Insurance Company Ltd (2)#	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
6	Tarsons Products Limited (3)@	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	0.20% [-5.35%]
7	Aditya Birla Sun Life AMC Limited#	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
8	Nuvoco Vistas Corporation Limited@	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	-32.76% [4.10%]
9	Windlas Biotech Limited@	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	-37.01% [+4.62%]
10	Glenmark Life Sciences Limited@	15,136.00	720.00	August 06, 2021	751.10	-6.38% [+7.10%]	-12.94% [+10.12%]	-20.67% [+8.45%]

Source: www.nseindia.com and www.bseindia.com

Notes:

** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price*

to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
** *The information is as on the date of this document.*
**The information for each of the financial years is based on issues listed during such financial year.*
@ The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange
 # The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1. *Price for retail individual bidders and eligible employee was ₹ 904.00 per equity share and for Eligible Policy Holders and was ₹ 889.00 per equity share*
2. *Price for eligible employee was ₹ 820.00 per equity share*
3. *Price for eligible employee was ₹ 639.00 per equity share*
4. *Price for eligible employee was ₹ 795.00 per equity share*

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium- 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	1	4050.00	-	-	-	-	1	-	-	-	-	-	-	-
2022-23*	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-22	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	3

** The information is as on the date of this Offer Document.*
 # Date of Listing for the issue is used to determine which financial year that particular issue falls into.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Manager	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	JM Financial Limited	www.jmfl.com
4.	SBI Capital Markets Limited*	www.sbicaps.com

** SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer*

Mechanism for redressal

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount or the entire duration of delay exceeding three Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and amended by the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is

Scenario	Compensation amount	Compensation period
		placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholders and the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 68.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Each of the Selling Shareholders, specifically, severally and not jointly, has authorised our Compliance Officer and the Registrar to the Offer to redress any complaints received from Bidders in respect of its respective portion of the Offered Shares.

Our Company has also appointed Akash Shetty, Company Secretary of our Company, as the Compliance Officer for the Offer. For further details, see "*General Information*" on page 67.

Our Company has constituted a Stakeholders' Relationship Committee comprising Girish Shrikrishna Nadkarni as its Chairperson and Anusha Shetty, Sunil Suresh and Vishal Verma as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 224.

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus there are no outstanding investor grievances.

Our Company does not have any listed group companies or listed subsidiaries.

Exemption from complying with any provisions of SEBI ICDR Regulations

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses, see "*Objects of the Offer*" on page 87.

Ranking of Equity Shares

The Equity Shares being offered and Allotted/ transferred in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our MoA and AoA, and shall rank *pari passu* with the existing Equity Shares in all respects including dividends. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 398.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 234 and 398, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹2. The Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers after the Bid/ Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 398.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form (i.e. not in the form of physical certificates and be represented by the statement issued through the electronic mode). As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 12, 2023 amongst our Company, CDSL and the Registrar to the Offer; and

- Tripartite agreement dated July 19, 2018, between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" on page 380.

Jurisdiction

The courts of Bengaluru, India will have exclusive jurisdiction in relation to this Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right not to proceed with the Fresh Issue, and the Selling Shareholders, severally and not jointly, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their respective Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	[●][(2)]

(1) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers may consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time and date shall be at 5:00 pm on Bid/Offer Closing Date, i.e. [●].

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to dematerialised accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Managers shall in their sole discretion, identify and fix liability on such intermediary or entity responsible for such delay in unblocking The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no.*

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholders or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/ Offer Period by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, revision of the Price Band or delay in receipt of final certificates from SCSBs, etc resulting in delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**")
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 5:00 pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from the RIBs, after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Monday to Friday (excluding any public/ bank holiday). Investors may please note that as per letter no. LIST/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. None of our Company, each of the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or otherwise or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum. It is clarified that each of the Selling Shareholders shall, severally and not jointly, be liable to refund money raised in the Offer together with any interest for delays in making refunds as per applicable law, only to the extent of its respective portion of Offered Shares. Notwithstanding the foregoing, no liability to make any payment of interest shall accrue on any Selling Shareholder and such interest shall be borne by our Company unless any delay of the payments to be made hereunder, or any delay in obtaining listing and/or trading approvals or any approvals in relation to the Offer is solely and directly attributable to an act or omission of such Selling Shareholder.

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the following order: (i) In the first instance towards subscription for 90% of the Fresh Issue; (ii) If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made: (a) first towards Equity Shares offered by the Selling Shareholders in such manner as specified in the Offer Agreement; and (b) and only then, towards the remaining Equity Shares in the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer equity share capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 74, and except as provided in our Articles of Association, there are no restrictions on transfer or transmission of Equity Shares and their consolidation or sub-division. For further details see "*Description of Equity Shares and Terms of the Articles of Association*" on page 398.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 2 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,000.00 million and an Offer of Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up equity share capital of our Company.

Our Company, in consultation with the Book Running Lead Managers, may consider a further issue of Equity Shares as may be permitted under applicable law to any person(s) of such Equity Shares for cash consideration aggregating up to ₹ 400.00 million at its discretion, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation (2)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion (excluding Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs in the remaining Net QIB Portion.	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs will be available for allocation subject to the following: Further, one-third of the Non-Institutional Portion will be made available for allocation to Bidders with a Bid size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with a Bid size of more than ₹1.00 million and under-subscription in either of these two subcategories of the Non-Institutional Portion may be allocated to Bidders in the other subcategory of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from domestic Mutual Funds at or above the Anchor Investor Allocation Price	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million upto ₹1.00 million; and (b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Bid Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with SEBI ICDR Regulations	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 380.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid	[●] Equity Shares.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	that the Bid Amount exceeds ₹ 0.20 million	Amount exceeds ₹ 0.20 million	
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 0.20 million
Who can apply[3]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under subsection (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DDII dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs in accordance with applicable laws.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Mode of Bidding	Only through ASBA process except for Anchor Investors (excluding the UPI Mechanism)	Through ASBA process only (including the UPI Mechanism for an application size of up to ₹0.50 million)	Through ASBA process only (including the UPI Mechanism)
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.		
Trading Lot	One Equity Share		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[4] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism), that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Offer.*

(1) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The relevant Bidders should ensure that the depository account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Book Running Lead Managers, their*

respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 385 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, on a proportionate basis. For further details, see the "*Terms of the Offer*" on page 371.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations and is a part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may, in consultation with the Book Running Lead

Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for Non-Institutional Bidders with Bid size exceeding ₹ 0.20 million and up to ₹ 1.00 million; and (b) two third of such portion shall be reserved for Non-Institutional Bidders with Bid size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to compliance with applicable laws.

Phased implementation of UPI

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("**Previous UPI Circulars**") and the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars and the Previous UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Book Running Lead Managers, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including UPI Bidders using UPI Mechanism, as applicable) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid pursuant to SEBI circular bearing number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Since the Offer is made under Phase III, ASBA Bidders may submit the ASBA Form in the manner below:

a. RIBs (other than the UPI Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b. UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c. QIBs and NIIs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis(1)	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis(1)	[●]
Anchor Investors(2)	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Managers.

(3) The Bid cum Application Forms for Eligible Employees will be available only at our offices and branches in India.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue.

The Sponsor Banks and the issuer banks shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in circulars prescribed by SEBI, from time to time.

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format prescribed by SEBI or applicable law.

Pursuant to NSE circular dated August 3, 2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
d. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

Electronic registration of Bids

a. The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer, subject to applicable laws.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. A qualified institutional buyer who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoters or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Only Bids accompanies by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 397.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the FEMA NDI Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer equity share capital shall be liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in an investee company directly or through investment in the units of other AIF. A Category III AIF cannot invest more than 10% of the investible funds in an investee company directly or through investment in the units of other AIF. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves.

The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

5. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and (c) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10. Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associates of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges

General Instructions

QIB Bidders and Non-Institutional Bidders are not allowed to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. RIBs can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number) in the Bid cum Application Form if you are not an UPI bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the GID;

7. Ensure that you mandatorily have funds equal to or higher than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders Bidding using the UPI Mechanism);

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. The ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;

15. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

16. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

18. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

19. Ensure that the Demographic Details are updated, true and correct in all respects;

20. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

21. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

23. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

24. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

25. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

26. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

28. Anchor Investors should submit the Anchor Investor Application Forms to the Book Running Lead Managers;

29. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

30. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021 and September 17, 2021, read with press release dated September 17, 2021. CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023;

31. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire

Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and

32. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account;
7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
8. In case of ASBA Bidders, do not submit more than one ASBA Form ASBA Account;
9. If you are an UPI Bidder are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
10. Anchor Investors should not Bid through the ASBA process;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
19. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares more than what is specified for each category;
21. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date;
22. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB;

27. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;

28. Do not submit the Bid cum Application Forms to any non-SCSB bank; and

29. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder using the UPI Mechanism).

30. Do not Bid for a Bid Amount exceeding ₹ 0.20 million (for Bids by Retail Individual Bidders); and

31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors can reach out our Company Secretary and Compliance Officer. For further details of our Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 67 and 216 respectively.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information - Book Running Lead Managers*" on page 68.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Anchor Investor Escrow Accounts

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, severally and not jointly and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price, but prior to filing of the Red Herring Prospectus or Prospectus, in accordance with the nature of undertaking which is determined in accordance with Regulation 40 (3) of SEBI ICDR Regulations.

(b) If our Company, the Promoter Selling Shareholders and Investor Selling Shareholder in consultation with the Book Running Lead Managers, desire to have the Offer underwritten on account of rejection of bids, then an underwriting agreement shall be signed after the filing of the Red Herring Prospectus with the RoC in accordance with the Applicable Law and an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law which would then be termed as the Prospectus. However, if our Company, the Promoter Selling Shareholders and Investor Selling Shareholder in consultation with the Book Running Lead Managers, desire to have the Offer underwritten to cover any under-subscription in the Offer, then the Underwriting Agreement shall be signed before the filing of the Red Herring Prospectus with the RoC.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447.*”**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within three Working Days from the Bid/ Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
- except for Equity Shares that may be allotted pursuant the Pre- IPO Placement and pursuant to exercise of options granted under the ESOP Scheme and the Equity Shares allotted pursuant to the Fresh Issue, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders specifically undertakes and confirms, as applicable, severally and not jointly, in relation to itself and its Offered Shares that:

- it is the legal and beneficial holder of and has clear legal, valid and marketable title to its respective portion of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free and clear of any encumbrance;

- its respective portion of the Offered Shares shall be transferred to an escrow demat account in dematerialized form prior to the filing of the Red Herring Prospectus with the RoC in accordance with the Share Escrow Agreement to be executed between our Company, the Selling Shareholders and the share escrow agent for the Offer;

- it shall not have recourse to the proceeds from the Offer for Sale until final listing and trading approvals are received from the Stock Exchanges, until which time all monies received shall be kept in a separate bank account in a scheduled bank, within the meaning of Section 40(3) of the Companies Act, 2013.

Only the statements and undertakings in relation to each of the Selling Shareholders and its respective portion of the Offered Shares which are specifically "confirmed" or "undertaken" by such Selling Shareholder in this Draft Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such respective Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Net Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**Consolidated FDI Policy**"), which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by DPIIT that were in force and effect prior to October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in manufacturing activities in India (including contract manufacturing in India) is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA NDI Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period.

In accordance with the FEMA NDI Rules, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company on a fully diluted basis and the aggregate limit for FPI investment currently not exceeding the sectoral or statutory cap; and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA NDI Rules.

As per the existing policy of the Government, OCBs cannot participate in the Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For further details, see "*Offer Procedure*" beginning on page 380.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, severally and not jointly, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations or as specified in this Draft Red Herring Prospectus.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company include two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until immediately prior to the date of filing of the Red Herring Prospectus. In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail until immediately prior to the date of filing of the Red Herring Prospectus. All articles of Part B shall automatically terminate and cease to have any force and effect immediately prior to the filing of the Red Herring Prospectus and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its Shareholders.

PART A

Authorised share capital

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

New capital part of the existing capital

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Sub-division, consolidation and cancellation of share certificate

Subject to the provisions of the Act, the Company in its general meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Reduction of capital

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Dematerialisation of securities

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable laws.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a depository. Where a person opts to hold a security with the depository, the Company shall intimate such depository of the details of allotment of the security and on receipt of such information, the depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of members, of members resident in that state or country.

Buy back of shares

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Annual general meetings

(a) The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two Annual General Meetings.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Extraordinary general meetings

All general meetings other than the Annual General Meeting shall be called “Extraordinary General Meeting”. Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Extraordinary meetings on requisition

The Board shall, on the requisition of members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Notice for general meetings

All general meetings shall be convened by giving not less than clear twenty-one (21) days’ notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member or other person to whom it should be given shall not invalidate the proceedings of any general meetings.

The members may participate in general meetings through such modes as permitted by applicable laws.

Shorter notice admissible

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any general meeting may be convened by giving a shorter notice than twenty-one (21) days if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

Voting rights of members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every member holding Equity Shares and present in person shall have one vote .
(b) On a poll, every member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up Equity Share capital.
(c) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Number of directors

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Board composition

The Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meetings of the Board

(a) The Board of Directors shall meet at least four (4) times a year with a maximum gap of one hundred and twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act. Place of meetings of the Board shall be at a location as specified in the notice convening the meeting.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details in relation to the Shareholders' Agreement, see *"History and Certain Corporate Matters – Shareholders' agreements and other agreements"* on page 212.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at www.stanleylifestyles.com, and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

(1) Offer Agreement dated September 4, 2023, amongst our Company, the Selling Shareholders and the Book Running Lead Managers.

(2) Registrar Agreement dated September 4, 2023, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Banks Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Banks, Public Offer Account Bank and the Refund Bank(s).

(4) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent.

(5) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar to the Offer and Syndicate Members.

(6) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency

(7) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

(1) Certified copies of updated MoA and AoA, amended from time to time.

(2) Certificates of incorporation of our Company dated October 11, 2007 issued to our Company by the RoC.

(3) Certificate for commencement of business dated December 14, 2007 issued to our Company by the RoC.

(4) Resolution of our Board dated August 31, 2023 authorising the Offer and other related matters.

(5) Resolution of our Board dated September 4, 2023 approving this Draft Red Herring Prospectus.

(6) Consent letter received from the Selling Shareholders as provided below:

Sl. No.	Name of the Selling Shareholders	Date of the consent letter
1.	Sunil Suresh	September 4, 2023
2.	Shubha Sunil	September 4, 2023
3.	Oman India Joint Investment Fund II	September 4, 2023
4.	Kiran Bhanu Vuppalapati	September 4, 2023
5.	Sridevi Venkata Vuppalapati	September 4, 2023

(7) Subscription and shareholders’ agreement dated July 25, 2018, executed between our Company, Oman India Joint Investment Fund II and the Promoters, as amended pursuant to the first addendum dated August 28, 2018 the waiver cum amendment agreement dated August 30, 2023 executed between our Company, Oman India Joint Investment Fund II and the Promoters

(8) Resolution passed by our Board on August 16, 2023 and our Shareholders’ on August 22, 2023 appointing Sunil Suresh as the Managing Director of our Company.

(9) Resolution passed by our Board on August 16, 2023 and our Shareholders’ on August 22, 2023 appointing Shubha Sunil as the Whole Time Director of our Company.

(10) Trademark and copyright assignment deed dated March 1, 2023 between one of our Promoters, Sunil Suresh and our Company.

(11) Trademark Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company.

(12) Copyright Assignment deed dated September 1, 2023 between one of our Promoters, Sunil Suresh and our Company.

(13) Escrow agreement dated August 16, 2018 entered between our Company, one of our Promoters, Sunil Suresh, Oman India Joint Investment Fund II and Axis Trustee Services Limited, which will be amended pursuant to the letter agreement dated September 4, 2023 entered into between our Company, Sunil Suresh, Oman India Joint Investment Fund II and Axis Trustee Services Limited.

(14) Co-existence agreement dated December 15, 2015 between one of our Promoters, Sunil Suresh and Stanley Furniture Company, INC.

(15) Trademark and copyright assignment deed dated June 24, 2022 between Design Eight Private Limited and Shrasta Décor Private Limited.

(16) Memorandum of Understanding dated October 30, 2021 between Shrasta Decor Private Limited and Design Eight Private Limited and the transfer agreement dated June 27, 2022 between Shrasta Decor Private Limited and Design Eight Private Limited, its founders, Sharmila Manghnani, Rajesh Manghnani, Danish Manghnani and Mukesh Manghnani.

(17) Written consent dated September 4, 2023 from our Statutory Auditor, namely, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants to include their names as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in in respect of their (a) examination report dated August 31, 2023 on the Restated Consolidated Financial Information, and (b) report dated September 4, 2023 on the statement of special tax benefits and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

(18) The examination report dated August 31, 2023 of our Statutory Auditor on the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus.

(19) The statement of possible special tax benefits dated September 4, 2023 from our Statutory Auditors.

(20) Consents of our Directors, our Company Secretary and Compliance Officer, Group Chief Financial Officer, Legal Counsel to our Company as to Indian law, Banker to our Company, the Book Running Lead Managers, Registrar to the Offer, Syndicate Members and the Monitoring Agency.

(21) Written consent letter dated September 4, 2023 from N B T and Co, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

(22) Written consent dated September 4, 2023 from G. Shankar Rao, an independent chartered engineer to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "expert", as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an independent chartered engineer in relation to the certificate dated September 4, 2023, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities.

(23) Resolution dated September 4, 2023 passed by the Audit Committee approving the KPIs.

(24) Report titled "*Deep Dive into Luxury and Super-Premium Furniture Industry*" dated September, 2023 prepared and issued by RedSeer and commissioned by our Company for the purposes of this Issue.

(25) Consent letter dated September 4, 2023 from RedSeer with respect to RedSeer Report.

(26) Certificate dated September 4, 2023 issued by N B T and Co, Chartered Accountants, certifying the KPIs of our Company.

(27) Copies of annual reports of our Company for the preceding three Fiscals.

(28) Due diligence certificate dated September 4, 2023 addressed to SEBI from the Book Running Lead Managers.

(29) In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

(30) Tripartite agreement dated July 19, 2018 amongst our Company, NSDL and the Registrar to the Offer.

(31) Tripartite agreement dated July 12, 2023 amongst our Company, CDSL and the Registrar to the Offer.

(32) SEBI final observation letter, bearing reference number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sunil Suresh
Managing Director

Place: Leh

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shubha Sunil
Whole Time Director

Place: Bengaluru

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Vishal Verma

Vishal Verma
Non-Executive Nominee Director

Place: Mumbai

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Girish Shrikrishna Nadkarni
Independent Director

Place: Mumbai

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Anusha Shetty

Anusha Shetty
Independent Director

Place: Delhi

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ramanujam Venkat Raghavan
Independent Director

Place: Leh

Date: September 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE GROUP CHIEF FINANCIAL OFFICER OF OUR COMPANY

pmishra

Pradeep Kumar Mishra
Group Chief Financial Officer

Place: Bengaluru

Date: September 4, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Sunil Suresh, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as one of the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Sunil Suresh

Place: Leh

Date: September 4, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Shubha Sunil, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as one of the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Shubha Sunil

Place: Bengaluru

Date: September 4, 2023

DECLARATION BY SELLING SHAREHOLDER

We, Oman India Joint Investment Fund II, acting through its trustee Oman India Joint Investment Fund Trustee Company Private Limited, and represented by its investment manager, Oman India Joint Investment Fund – Management Company Private Limited, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as an Investor Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility as an Investor Selling Shareholder, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

OMAN INDIA JOINT INVESTMENT FUND II

Srinath

Signed on behalf of Oman India Joint Investment Fund II, acting through its trustee Oman India Joint Investment Fund Trustee Company Private Limited, and represented by its investment manager, Oman India Joint Investment Fund – Management Company Private Limited

Authorised Signatory: Srinath Srinivasan

Place: Mumbai, India

Date:September 4, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Kiran Bhanu Vuppalapati, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as one of the Individual Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Kiran Bhanu Vuppalapati

Place: Bengaluru

Date: September 4, 2023

DECLARATION BY SELLING SHAREHOLDER

I, Sridevi Venkata Vuppalapati, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to me, as one of the Individual Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

Sridevi.V

Sridevi Venkata Vuppalapati

Place: Bengaluru

Date: September 4, 2023