STANLEY
Makers Of Beautiful

Date: 06.09.2026 Ref no. SLL/SE/63-2026

To, National Stock Exchange of India Limited ("NSE") Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited ("BSE") Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001
NSE Scrip Symbol: STANLEY	BSE Scrip Code: 544202
ISIN: INE01A001028	ISIN: INE01A001028

Dear Sir/Ma'am,

Subject: Submission of Annual Report for the Financial Year 2025-26 pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2025-26 along with the Notice convening the 19th Annual General Meeting of the Company scheduled to be held on Monday, September 28, 2026 at 02:30 PM through VC/OAVM.

The Annual Report is also available on the website of the Company at www.stanleylifestyles.com

This is for your information and records.

Thanking You,

For Stanley Lifestyles Limited

SURESH SUNIL
Digitally signed by SURESH SUNIL
Date: 2026.09.06 00:11:26 +05'30'

Sunil Suresh
Executive Chairman
DIN: 01421517

Enclosed as above

STANLEY
Makers Of Beautiful

Designed to Define Luxury

Annual Report
2025-26

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Standalone

Consolidated

Scan above QR code to know more about us.

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding the Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Luxury, in it's truest form, is never inherited. It is built, deliberately, one decision at a time. For over two decades, Stanley has been precisely shaping a distinctive place in India's luxury home market; not by following prevailing definitions of refinement, but by setting its own.

FY2026 marks a deliberate step in that pursuit, shifting from presence to precision. As the Company enters its next chapter, the focus sharpens. Greater control over the retail experience, sharper execution across the value chain and a national footprint built on the Company's own terms drives our strategic pivot. This is luxury designed with intent; curated end-to-end, from the boardroom to the showroom floor, so that every touchpoint reflects the standard Stanley sets.

As we enter FY2027 on the back of our highest-ever order book, our momentum will be supported by growing traction in full-home solutions and a competitive landscape increasingly shaped in the Company's favour. With a widening retail network, improving margins, disciplined capital allocation and a debt-free balance sheet, Stanley has not merely recovery in sight but to continue building an experience that is, unmistakably, designed to define luxury.

Designed to Define Luxury

About Us

We are a design-led, vertically integrated luxury furniture brand redefining how India experiences home living. With over 30 years of experience, we deliver end-to-end home solutions from sofas and recliners to kitchens, cabinetry and beds through our exclusive brands Stanley Level Next, Stanley Boutique and Sofas & More.

Across 70 stores in 24 cities, we bring together craftsmanship, innovation and customer insight to create spaces that reflect refined living. Today, the Stanley brand name is synonymous with luxury, quality and craftsmanship. It is the only home-grown luxury furniture brand manufactured in India using the highest quality globally sourced materials.

Vision

Create outstanding products that have the power to make lives beautiful.

Mission

Move beyond furniture by offering complete home solutions, exceptional service and quality assurance of a deep-rooted manufacturing brand.

Why we exist

To emerge as an Indian luxury lifestyle brand capable of designing, developing and manufacturing to international specifications & standards.

To make 'Made in India' a globally recognised entity, by passionately creating and consistently delivering objects of joy.

Geographical Presence

We design, manufacture and retail our products through a pan-India network of Company-Owned Company-Operated (COCO) and Franchisee-Owned Franchisee-Operated (FOFO) stores.

Karnataka

23 COCO

2 FOFO

Tamil Nadu

7 COCO

5 FOFO

Maharashtra

10 COCO

1 FOFO

New Delhi

3 COCO

0 FOFO

Telangana

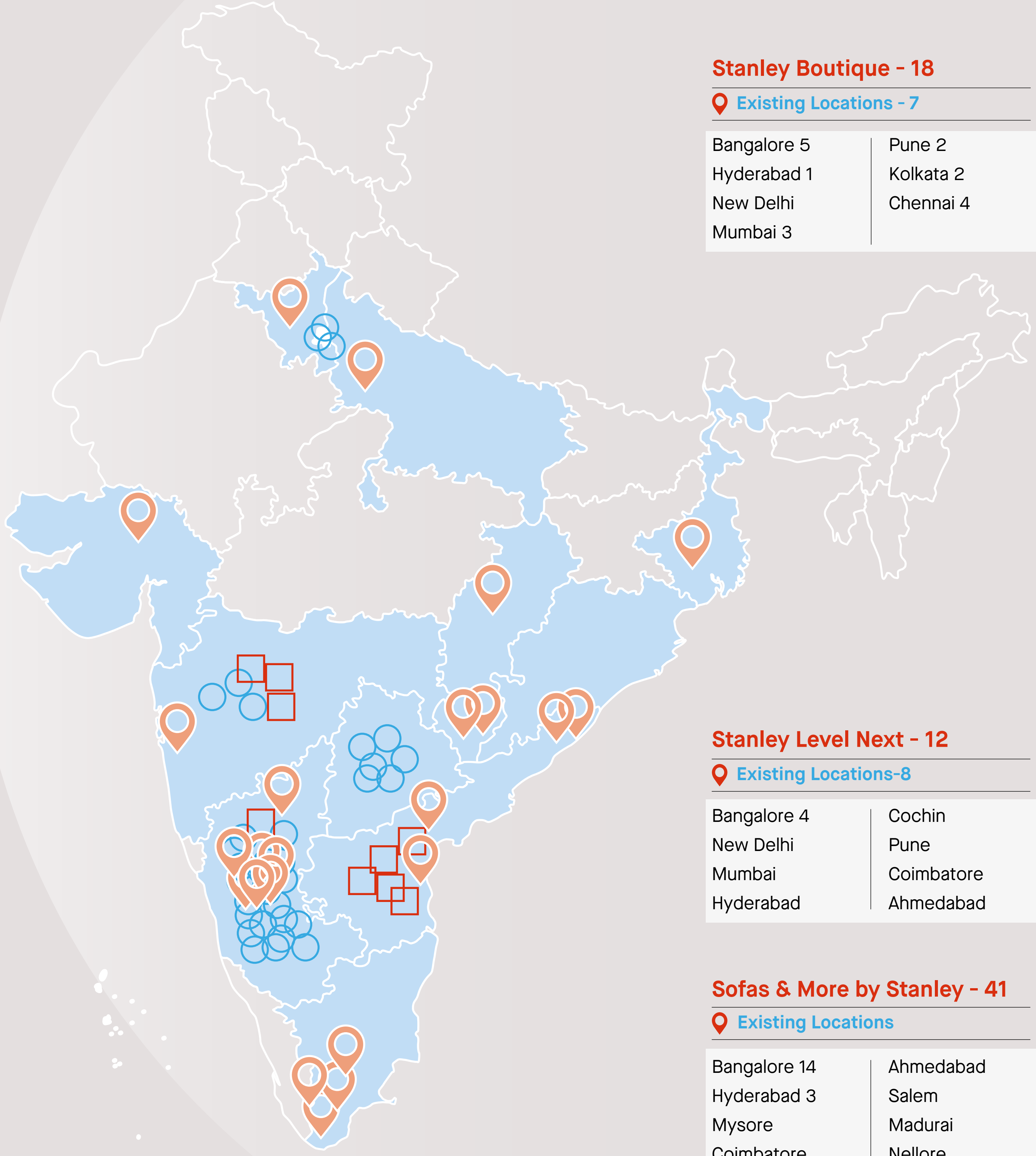
5 COCO

0 FOFO

Other Cities

0 COCO

15 FOFO



Stanley Boutique - 18

Existing Locations - 7

Bangalore 5	Pune 2
Hyderabad 1	Kolkata 2
New Delhi	Chennai 4
Mumbai 3	

Stanley Level Next - 12

Existing Locations-8

Bangalore 4	Cochin
New Delhi	Pune
Mumbai	Coimbatore
Hyderabad	Ahmedabad

Sofas & More by Stanley - 41

Existing Locations

Bangalore 14	Ahmedabad
Hyderabad 3	Salem
Mysore	Madurai
Coimbatore	Nellore
Cochin-2	Vizag
Trivandrum	Raipur
Tirunelveli	Lucknow
Guntur	Chennai
Vijayawada	Surat
Bhiwandi	Mangaluru
	Pune 3

Our Strategic Priorities

Expand Retail Presence

Grow the retail footprint across India and in select international markets by leveraging the strength and equity of the Stanley brand.

Enhance Brand Awareness

Deepen brand connect through targeted marketing, digital outreach and curated customer experiences. Strengthen brand recall and position Stanley as a top-of-mind luxury lifestyle brand.

Leverage Technology for Scale

Integrate technology across the value chain, from virtual showrooms to ERP-enabled operations, to elevate customer experience and drive operational efficiency.

Strengthen B2B and Distribution

Evaluate opportunities in the B2B segment and establish distribution partnerships to diversify revenue streams and improve market access.

Broaden Product Portfolio

Expand offerings across categories and price points to serve a wider customer base while maintaining the company's quality ethos.

Enter New Segments

Explore adjacent lifestyle categories that complement the existing portfolio, address evolving consumer preferences and create new growth levers.

Adopt a Company-Owned, Company-Operated (COCO) Strategy

Build and scale company-owned and company-operated retail outlets to maintain greater control over brand experience, customer engagement, merchandising and service quality, while strengthening direct customer relationships.

Chairman's Message

Dear Shareholders,

The year under review was one of continued investment and purposeful transformation as we strengthened our retail footprint, broadened our capabilities and refined our proposition in the luxury and premium home furnishing market. Despite a demanding environment marked by delayed residential project handovers, supply chain disruptions and softer B2B demand, we remained focused on the fundamentals such as deepening localisation, improving operating efficiency and elevating the customer experience.

Our evolution is also reflected in how we define luxury. For us, it lies in the interplay of distinctive design, craftsmanship, attention to detail and the ability to personalise spaces around individual tastes. As our portfolio and retail presence expand, we are bringing these elements together to create a more cohesive and complete home experience, rather than a collection of individual products.

This understanding increasingly informs the choices we make across the business, from the capabilities we build and markets we enter to how we curate our products and engage with customers. The result is a more distinctive Stanley proposition, where design, craftsmanship and personalisation come together consistently across every product and customer interaction.

A Market Shaped by Evolving Aspirations

The Indian furniture market is undergoing a structural shift towards organised and branded consumption, supported by rising disposable incomes, accelerating urbanisation and the growth of premium residential developments. As consumers become more discerning about the spaces they create, there is a growing willingness to invest in differentiated furniture and home furnishings, with greater emphasis on design, quality, service and consistency.

Established brands are consequently gaining relevance, particularly in the premium and luxury segments. At the same time, the nature of demand is evolving from individual furniture purchases towards more cohesive, integrated solutions that allow consumers to create a complete and considered home.

This evolution is creating opportunities for companies that can bring design, manufacturing, sourcing and retail together. Stanley's presence across the ultra-luxury, luxury and super-premium segments, supported by capabilities across multiple categories, gives us a strong platform to participate in this shift. Our move towards complete-home solutions is a natural extension of these capabilities and of how customer expectations are changing.

Strengthening Our Retail Presence

During FY2026, we expanded our retail presence across key luxury housing markets, adding 11 stores, while becoming more selective about where we operate. Our focus is increasingly on the quality of each catchment, the maturity of the surrounding residential ecosystem and the long-term potential of individual locations. We are also evaluating relocations where emerging developments offer stronger opportunities, ensuring that our footprint remains aligned with evolving demand.

The operating environment remained challenging, particularly in the latter part of the year, with delays in residential project handovers affecting conversions, alongside supply chain disruptions and softer B2B demand. Despite these pressures, localisation and restructuring initiatives supported a meaningful improvement in gross margins and strengthened the efficiency of our operating model.

We enter FY2027 with our highest-ever order book and encouraging traction in full-home solutions. As project handovers improve, our focus will remain on converting this demand, increasing store productivity, expanding selectively and deepening our complete home proposition.

Improving Brand Positioning in Luxury and Premium Segments

Our evolution is not simply about expanding our product range. We are also redefining the role of our brands. Stanley is moving towards becoming a complete-home solutions provider, while Sofas & More will continue as a furniture retail concept. This gradual change in brand architecture is intended to create a clearer proposition for customers and better reflect the direction of the business. We are also preparing to introduce Stanley Superlative Living in mature markets. The proposed format will bring complete-home solutions together under one roof, positioned at the high-end of the luxury segment and with a strong focus on design, product presentation and customer experience.

Our international journey has also begun with the opening of Stanley Boutique in Colombo, Sri Lanka, through a joint venture with Singer Sri Lanka PLC. This provides an opportunity to understand a new market and its customer preferences as we begin building our presence beyond India.

Designing a More Sustainable Future

At Stanley Lifestyles, our approach to Corporate Social Responsibility is grounded in a larger purpose: strengthening the global identity of 'Made in India' through the quality of our craftsmanship, while contributing responsibly to the communities and environment in which we operate.

We believe the value we create as a business must extend beyond our products and financial performance.

Our efforts focus on education, sustainability and community well-being, with the objective of contributing to a more inclusive and equitable society. As we grow, we remain committed to a model of progress that respects the environment, strengthens communities and creates lasting value for all our stakeholders.

The Road Ahead

The priorities for the next phase are clear. We will continue with COCO-led expansion, with five additional stores expected to commence operations shortly, while remaining disciplined on the pace and quality of our footprint. As residential project handovers gather momentum, particularly towards the end of FY2027, we expect customer conversions to strengthen, supported by early signs of recovery in high-ticket discretionary demand.

The Quality Control Order, together with our BIS-compliant operations, should further strengthen the position of organised domestic players. We will deepen localisation and expand our complete-home solutions portfolio. Simultaneously, the proposed amalgamation of our subsidiaries and step-down subsidiaries into Stanley Lifestyles Limited will create a simpler, more integrated structure, improving management efficiency, reporting and resource deployment. Our ERP and CRM platforms are also on track for FY2027 implementation, supporting faster execution, stronger conversions and tighter inventory management.

The year has been one of investment and transition, but it has strengthened the foundations of the business and sharpened our conviction in the opportunity ahead. Our focus remains on building Stanley into a design-led luxury home solutions

Our evolution is also reflected in how we define luxury. For us, it lies in the interplay of distinctive design, craftsmanship, attention to detail and the ability to personalise spaces around individual tastes. As our portfolio and retail presence expand, we are bringing these elements together to create a more cohesive and complete home experience, rather than a collection of individual products.

brand with the breadth and capability to serve customers across products, spaces and markets.

I extend my gratitude to all our shareholders for their continued trust and support as we remain focused on disciplined growth and enduring value creation.

Thank you.

Sunil Suresh
Executive Chairman

Managing Director

Designed to Define Luxury reflects this philosophy where every investment in capability, every improvement in execution and every choice we make across our retail and manufacturing operations is ultimately directed towards delivering a more distinctive product and a more considered customer experience.

Dear Shareholders,

The year under review called for a careful balance between investing for growth and protecting the underlying strength of the business. We remained deliberate in our allocation of capital, focused on improving operating efficiency and strengthened our localisation and retail capabilities. Although the operating environment weighed on revenue, the improvement in gross margins and working capital demonstrates that the business is becoming structurally stronger, even as we navigate near-term volatility.

For Stanley Lifestyles, however, strengthening the business is inseparable from strengthening what defines the brand. Designed to Define Luxury reflects this philosophy where every investment in capability, every improvement in execution and every choice we make across our retail and manufacturing operations is ultimately directed towards delivering a more distinctive product and a more considered customer experience. As we navigate near-term volatility, we remain focused on building the financial and operational strength required to define luxury on our own terms and create enduring value over the long term.

Revenue from operations stood at Rs. 4,193 million, compared to Rs. 4,262 million in FY2025, a decline of 1.6%. The moderation was largely attributable to supply chain disruptions, delays in residential project handovers and softer B2B demand towards the end of the year. Despite these headwinds, gross profit increased by 1.0% to Rs. 2,424 million, while gross margin improved to 57.8% from 56.3%. This expansion reflects the benefits of our localisation and restructuring initiatives and reinforces the progress we are making in strengthening the underlying economics of the business.

The improvement in gross margin did not translate proportionately to operating profitability. EBITDA stood at Rs. 754 million, compared with Rs. 818 million in FY2025, with an EBITDA margin of 18.0%. Profit before tax was Rs. 176 million, while profit after tax stood at Rs. 130 million, compared with Rs. 292 million in the previous year. Profitability was impacted by the costs associated with stores in the gestation phase, investments undertaken for expansion and the leadership transition, alongside the external pressures experienced during the year. Higher depreciation and finance costs added further to the pressure on earnings.

At the business level, Sofa & Seating continued to be our largest product category, while Bed & Mattress and Kitchen & Cabinetry increased their contribution. Company-owned stores continued to account for the larger share of our retail network, which expanded to 41 stores during the year. Our approach to expansion, however, remained selective. The emphasis was increasingly on the productivity, catchment potential and long-term relevance of each location rather than on adding stores purely to increase the footprint.

The quality of our order-led business also remained encouraging. Our order book increased to Rs. 624 million at the end of FY2026 from Rs. 457 million a year earlier, providing stronger revenue visibility as we entered the new financial year. We also made meaningful progress in working capital management, with inventory days, excluding display stock, declining to 146 days from 171 days. This improvement reflects a more disciplined approach to inventory and better stock turnover and remains an important focus as we continue to scale the business.

Working capital stood at 203 days, compared with 199 days in FY2025, with the marginal increase largely attributable to the accounting impact of lease-related liabilities. Despite this, our liquidity position remained strong, with cash and liquid funds of Rs. 1,951 million at year-end. The Company continues to maintain a debt-free balance sheet, providing financial flexibility as we invest selectively in the next phase of growth.

The priorities for FY2027 are well defined. We will focus on converting the demand opportunity as residential project handovers gather pace, while expanding selectively into markets where we see sustainable potential. At the same time, we will continue to accelerate localisation and deepen our complete home solutions portfolio, with the objective of increasing customer relevance and strengthening the economics of our retail network. We will maintain the financial discipline that has guided our decisions through the past year, balancing investment in growth with a clear focus on returns and operating efficiency. The opportunity before Stanley Lifestyles remains significant, and our focus will be on building the business patiently and creating enduring value for our shareholders.

Regards,

Venkataramana Seshagirirao Gorti
Managing Director

Growth Journey

2007
- Incorporated as a partnership firm under the name Stanley Seating
- Converted into a private limited company as Stanley Lifestyles Limited

2011
- Opened first retail store under Stanley Boutique in Bengaluru, Karnataka
- Opened first FOFO store in Kochi, Kerala

2012
- Opened first store in Chennai, Tamil Nadu
- Opened first COCO store in Bengaluru, Karnataka

2018
- Incorporated subsidiary SDPL via joint venture
- Opened first COCO store in Hyderabad

2019
- Raised funding from Oman India Joint Investment Fund II
- Launched Sofas & More by Stanley format
- Opened first store under 'Stanley Level Next'

2021
- Store count increased to 25

2022
- Opened first COCO store in Delhi

2023
- Store count crossed 68 with 9 new stores added in FY25

2024
- Store count surpassed 50

2025
- Entered international market with store opening in Sri Lanka

2026
- Listed on BSE and NSE

Our Offerings

Stanley Level Next

Brand Positioning

Ultra-Luxury

Stanley Level Next is our most exclusive format, crafted for connoisseurs of artistic detail, bespoke design and modern luxury. It offers unlimited customisation across a wide range of leather types, with collections that showcase contemporary aesthetics, inventive craftsmanship and functional elegance. Each creation is thoughtfully designed to reflect individual lifestyles and personal expression.

Store Experience

Functions as an immersive interior experience center, where clients co-create personalized living spaces with Stanley's design experts.

12

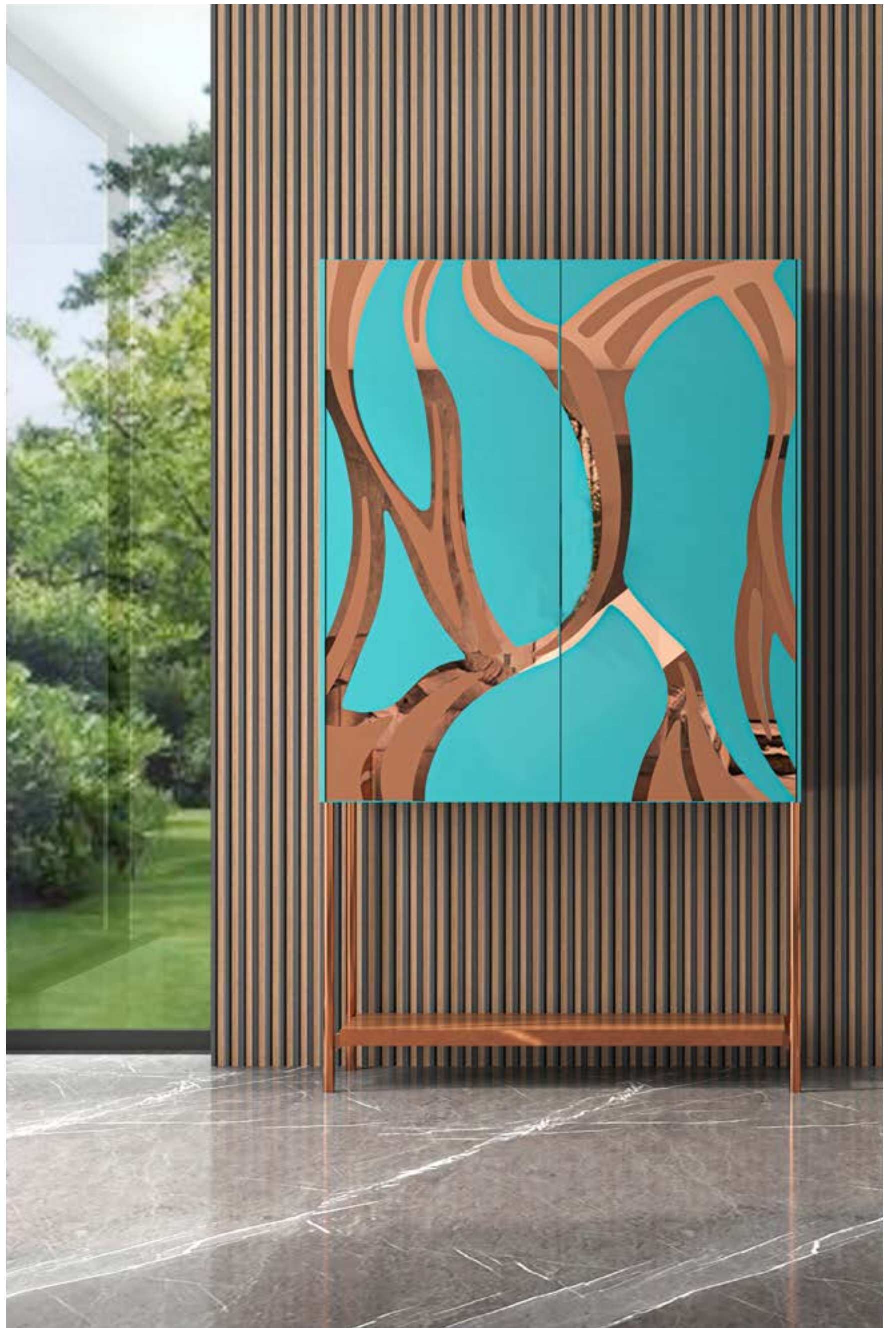
No. of Stores

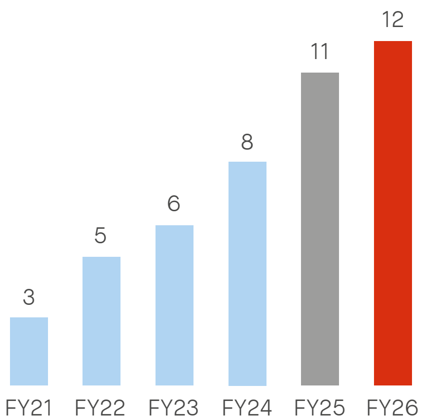
9

COCO

3

FOFO





Product Range

End-to-end home interior solutions, including

Modular kitchens & wardrobes	Sofas & Beds	Cabinetry and other premium furnishings

Stanley Boutique

Brand Positioning

Luxury

Stanley Boutique offers refined luxury through ready-to-buy collections that combine craftsmanship and versatility, ideal for discerning customers seeking high-end furniture with shorter lead times. Each product is crafted in-house with meticulous attention to detail, designed to elevate living spaces while preserving warmth and personal expression.

Store Experience

Showcases pieces that balance timeless elegance with everyday practicality.

18

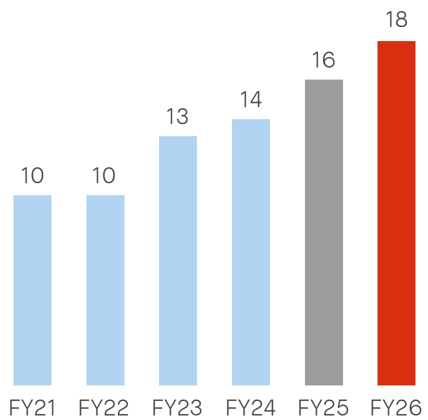
No. of Stores

16

COCO

2

FOFO



Product Range

End-to-end home interior solutions, including

Sofas, recliners & beds	Curated statement pieces

Sofas & More

Brand Positioning

Super Premium

Sofas & More is Stanley's most accessible format, offering thoughtfully designed furniture at approachable price points to meet the growing demand for affordable luxury among urban consumers. It brings together Stanley's core values of quality, comfort and style in value-driven offerings, with trend-aligned collections and efficient delivery cycles. Serving as the gateway to the Stanley experience, this format reaches a broader customer base with a curated range of sofas, recliners, mattresses, beds, accessories and essential home furniture.

Store Experience

High-footfall showrooms designed for quick navigation and easy product discovery.

41

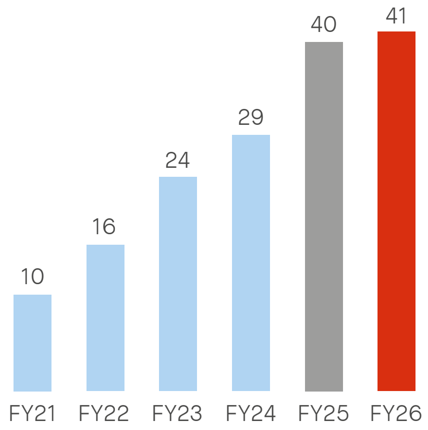
No. of Stores

23

COCO

18

FOFO



Product Portfolio

We have expanded our facility to include diverse products such as beds, mattress, dining table, integrating ourselves as a complete solution provider.

Seating

58.0%

Revenue contribution in FY2025-26

Kitchen and Cabinetry

6.0%

Revenue contribution in FY2025-26

Case Goods

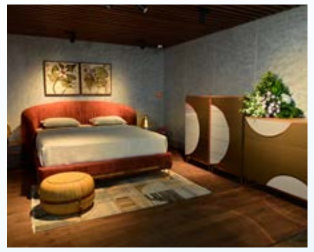
14.3%

Revenue contribution in FY2025-26

Mattresses and Beds

7.7%

Revenue contribution in FY2025-26



Automotive and others

2.9%

Revenue contribution in FY2025-26

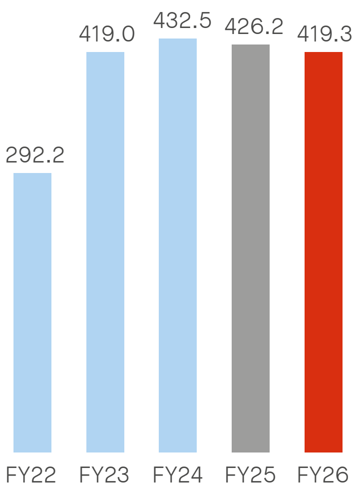
Financial Performance

As we strengthened our foundations, we expanded our company-owned retail footprint across key luxury housing markets and invested in the digital and operational capabilities required to scale with discipline.

This transitional phase brought its share of friction, including gestation costs on new stores, a leadership transition and external pressures from supply chain disruptions and project delays. Yet beneath these near-term pressures, the fundamentals of the business held firm. Profitability during the year was impacted by three main factors which include new stores yet to reach maturity, pre-operating and expansion-related expenses, and a temporary overlap in KMP compensation.

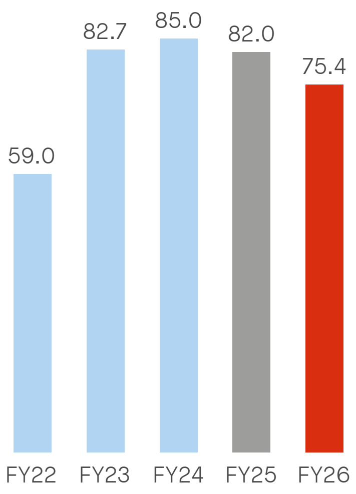
Revenue generated

(₹ in crores)



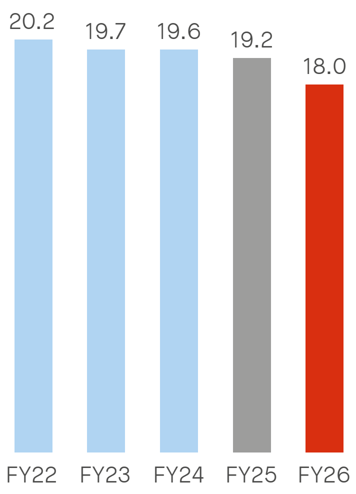
EBITDA

(₹ in crores)



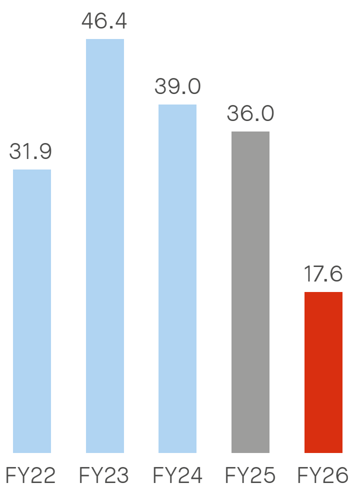
EBITDA margin

(%)



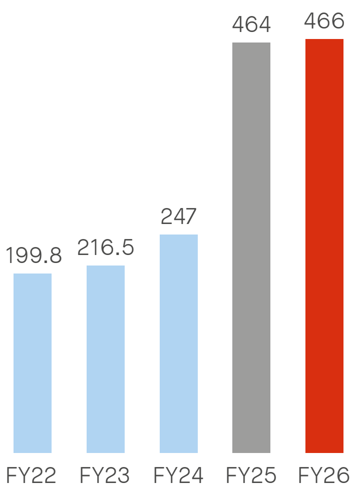
Profit Before Tax

(₹ in crores)



Net worth

(₹ in crores)



Operational Excellence

Our best-cost country sourcing strategy has kept our key inputs competitive even in challenging conditions. At a time when furniture imports, our primary source of competition, face pressure from foreign currency fluctuations, supply chain and logistics disruptions, and regulatory measures such as the Quality Control Order (QCO), we are well positioned to capitalise.

This approach has enabled continued cost optimisation, leading to a year-over-year expansion in gross margin, up 151 bps from 56.3% in FY25 to 57.8% in FY26. Our business model also includes a significant share of made-to-order products, allowing us to keep inventory levels low. With improved turnaround time, higher customisation capability and stronger quality controls, we believe this shift is building a meaningful structural advantage for Stanley.

Manufacturing

2

Manufacturing Facilities

1,000 +

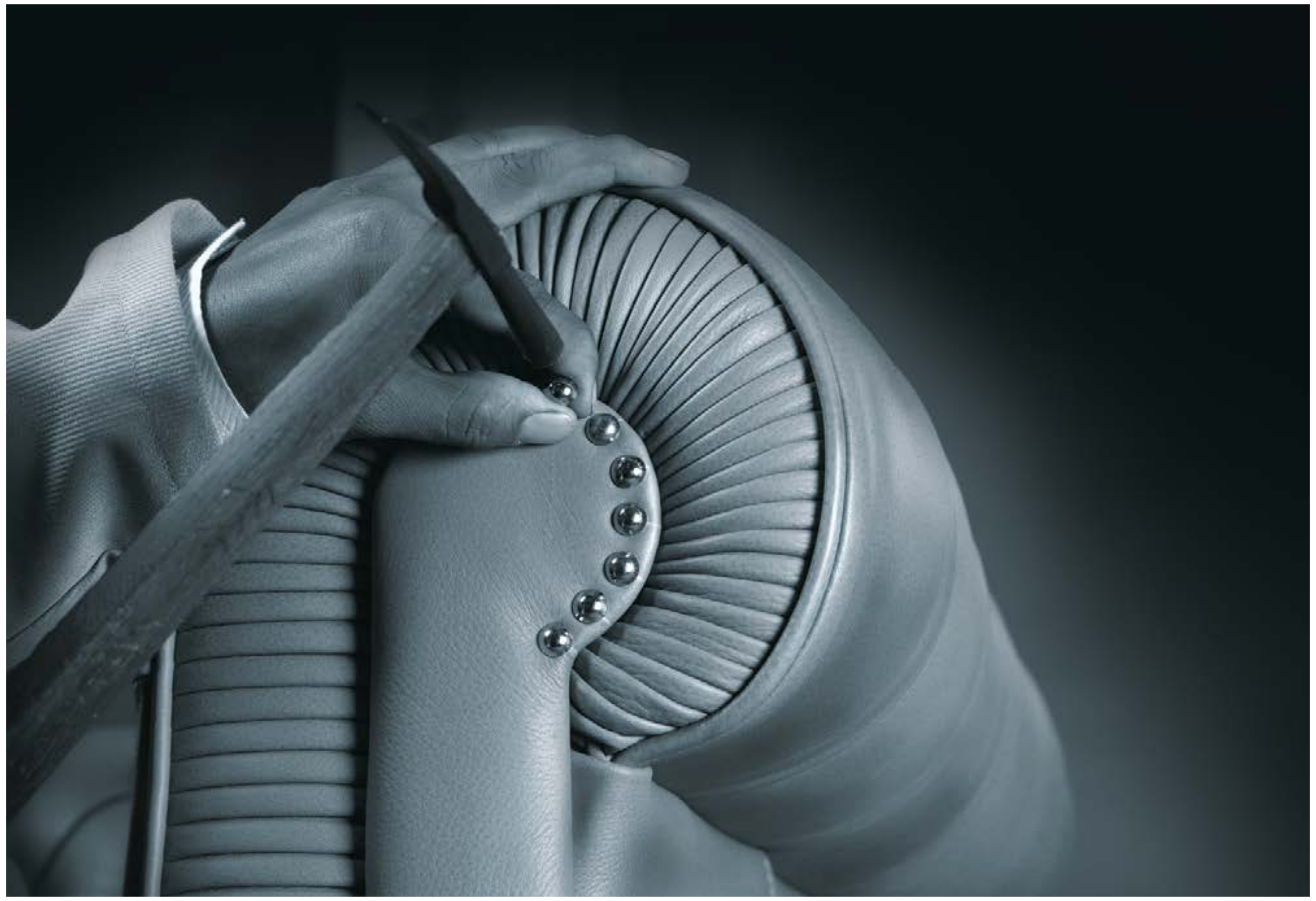
Skilled Workforce Strength

3,00,000+ sq. ft

Total Area covered by our Facilities

3,07,200 units/year

Installed Capacity



Electronic City

1,97,643 sq. ft.

Total Area covered by Facility

1,63,200 units/year

Installed Capacity

719

Skilled Workforce Strength

Products Manufactured

- Seating and Beds
- Kitchen and Cabinetry
- Case Goods
- Mattress
- Automotive/OEM

Jigani

1,03,243 sq. ft.

Total Area covered by Facility

1,44,000 units/year

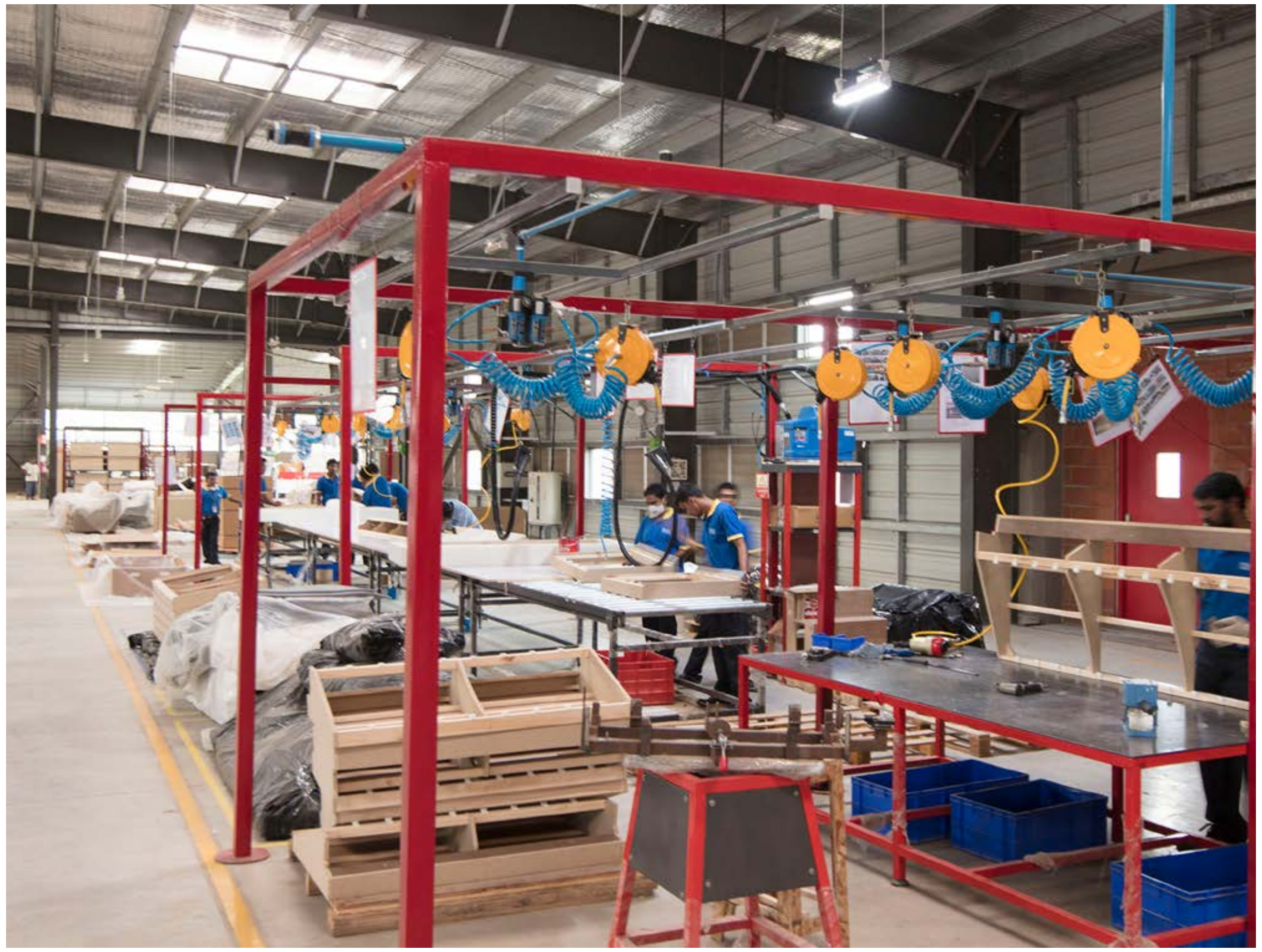
Installed Capacity

348

Skilled Workforce Strength

Products Manufactured

- Seating and Beds



Certifications

Our manufacturing operations are certified under

ISO 9001:2015
for quality management

ISO 14001:2015
for environmental management

ISO 45001:2018
for occupational health and safety

Greenguard
certification for indoor air quality

Marketing

At the core, we consider ourselves a complete home solutions brand. We have also refined our strategy to draw greater interest from the younger demographic, with a sharpened focus on strengthening our online presence. Our participation in local engagements establishes strong presence among the local fraternity of architects and interior designers, building trust.

Expansion

We have a strong presence across the most relevant markets, a significantly expanded retail network, a structurally improving competitive position and a disciplined growth strategy. Over the past year, we have fundamentally reshaped our retail business. Expanding beyond Bangalore, we now have a direct company-owned presence across key markets including Chennai, Hyderabad, Pune, Mumbai and Delhi, which together account for nearly 80% of India's luxury housing demand.

We have also entered Sri Lanka through our luxury and, Stanley Boutique Homes. The first store there will open as a pilot and we plan to expand into five to six additional locations through a shop-in-shop format. In FY26, 11 new stores were opened, with 5 more expected to commence operations shortly, reflecting our continued focus on COCO-led growth.

71

Stores Operational in FY26

Competitive Advantages

Experience and Expertise

Stanley is one of India's leading homegrown luxury and premium furniture brands, backed by over 30 years of experience in design, manufacturing and retail. As a BIS-compliant company, the brand anticipates an increase in new inquiries following the implementation of Quality Control Orders (QCO).

Integrated Design and Sourcing Capabilities

Vertically integrated operations spanning raw material sourcing, product design, manufacturing, quality control and retail guarantee consistent, superior product quality. These in-house capabilities are supported by a 15,000-square-foot Design & Innovation Centre, a team of 150 designers, and more than 1,000 skilled artisans. Additionally, the strategic shift toward sourcing key raw materials locally, such as leather, has strengthened supply chain resilience and improved overall cost efficiency.

Extensive Retail Network

A robust pan-India retail network features 71 stores, consisting of 48 Company-Owned Company-Operated (COCO) stores and 23 Franchise-Owned Franchise-Operated (FOFO) outlets. These stores vary in size from 3,516 to 60,000 square feet. With 38 stores operational for more than three years, the brand has established a solid foundation of mature stores to drive steady revenue growth. Furthermore, strategically placed warehouses in six major cities (Bangalore, Hyderabad, Chennai, Mumbai, Pune, and Delhi) ensure efficient inventory distribution and prompt customer deliveries.

Scalable Manufacturing Platform

The scalable manufacturing platform includes three facilities in Bengaluru, providing over 300,000 square feet of production space and an installed capacity of 3,07,200 units. A dedicated facility in Jigani specifically serves B2B customers, ensuring efficient order execution and scalable production. All manufacturing operations hold ISO 9001, ISO 14001, ISO 45001, and Greenguard certifications, demonstrating a strong commitment to global quality and sustainability standards.

Complete Home Solutions Provider

Expanding beyond premium furniture, the brand now provides complete home solutions, encompassing kitchens, wardrobes, cabinetry and full home interiors.

Diverse Portfolio

We offer a multi-brand portfolio that caters to the ultra-luxury, luxury, and super-premium segments through Stanley Level Next, Stanley Boutique, and Sofas & More. Our diverse product lineup includes seating, bedrooms, dining, wardrobes, kitchens, and cabinetry. Customer ticket sizes across these offerings range from ₹ 1.5 Lakhs to over ₹ 5.0 Lakhs.

Technology

The implementation of new ERP and CRM software is on schedule to go live in FY27. This technological upgrade will facilitate faster operational rollouts, improve sales conversions and maximise inventory efficiency.

Order Book Visibility

An order book valued at ₹ 62.4 crores as of March 31, 2026, secures clear near-term revenue visibility and supports continued business growth.

Liquidity

Inventory days, excluding display stock, have decreased from 171 to 146 days, indicating stronger inventory management and faster stock turnover. Additionally, cash and liquid funds totaling ₹ 195.10 crores Lakhs offer the financial flexibility necessary to fund future store expansions and upcoming growth initiatives.

Board of Directors

Sunil Suresh

Executive Chairman

Has been associated with our Company as a Promoter and a Director since October 11, 2007. He is a recognized expert on the Indian luxury industry, with sharp insights into consumer trends, branding, and the evolving luxury ecosystem.

Shubha Sunil

Whole Time Director

Has been associated with our Company as a Promoter and Director since October 11, 2007.

Holds a Bachelor's of Science degree from Bangalore University, Karnataka.

Holds a Certificate of completion of the INSEAD Leadership Programme for Senior Executives from INSEAD.

Venkataramana Seshagirirao Gorti

Managing Director

Has over three decades of professional experience across Business P&L, Supply Chain Management, Strategic Sourcing, Procurement, Logistics, Inventory Management and Factory Operations in global business environments.

Has over three decades of professional experience across Business P&L, Supply Chain Management, Strategic Sourcing, Procurement, Logistics, Inventory Management and Factory Operations in global business environments.

Holds certifications including IICA certification as an Independent Director, CPSCM certification in Supply Chain Management, and Lean and Six Sigma Green Belt certifications from GE and Honeywell

Girish Shrikrishna Nadkarni

Independent Director

Has over 16 years of experience. Holds a Bachelor's degree in Commerce from the University of Mumbai and has cleared the examination held by the Institute of Cost Accountants of India.

Holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.

Currently serving as a Director on the Board of Clair Advisors Private Limited

Ramanujam Venkat Raghavan

Independent Director

Has over 18 years of experience.

Holds a Bachelor of Commerce degree from Bangalore University, Karnataka.

Currently working with Shahi Exports Private Limited as the Chief Executive Officer and Director.

Anusha Shetty

Independent Director

Has over 17 years of experience.

Holds a Post Graduate Diploma in Management from T. A. Pai Management Institute, Manipal.

Currently working with Grey Group India as Chairperson and Group Chief Executive Officer.

Corporate Information

Board of Directors

Sunil Suresh
Executive Chairman

Shubha Sunil
Whole-time Director

Anusha Shetty
Independent Director

Girish Shrikrishna Nadkarni
Independent Director

Ramanujam Venkat Raghavan
Independent Director

Venkataramana Seshagirirao Gorti
Managing Director

Registered Office

SY No.16/2 and 16/3 Part,
Hosur Road, Veerasandra Village,
Attibele Hobli, Anekal Taluk,
Bangalore - 560100, Karnataka, India

Registrar and Share Transfer Agent

KFin Technologies Limited,

Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana, India - 500 032.

Notice of 19th Annual General Meeting

Notice is hereby given that the **19th (Nineteenth)** Annual General Meeting ("AGM") of the Members of Stanley Lifestyles Limited will be held on **Monday, September 28, 2026, at 2:30 P.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt:**

   i. The Standalone Audited Financial Statements for the financial year ended 31st March 2026, along with the Reports of the Board of Directors and the Auditors thereon.

   ii. The Consolidated Audited Financial Statements for the financial year ended 31st March 2026, along with the Report of the Auditors thereon.

2. **To appoint a Director in place of Mr. Sunil Suresh (DIN: 01421517), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS

3. **To approve change in designation of Mr. Sunil Suresh (DIN: 01421517) from Chairman and Managing Director to Executive Chairman in the category of Whole-time Director and remuneration for the residual term of appointment.**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "**RESOLVED THAT** subject to applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board, consent of the shareholders be and is hereby accorded for change in designation of Mr. Sunil Suresh from Chairman and Managing Director to Executive Chairman in the category of Whole-time Director of the Company, liable to retire by rotation, with effect from 27 May, 2026 until 15 August 2028, the residual term of his appointment.

   RESOLVED FURTHER THAT the remuneration payable to, and other perquisites to be vested in, Mr. Sunil Suresh, Executive Chairman in the category of Whole-time Director of the Company with effect from 16 August, 2026 until 15 August 2028, the residual term of his appointment, be as per the terms and conditions as mentioned below:

   i. Gross Monthly Salary: ₹ 16,41,708/- (Rupees Sixteen Lakhs Forty-One Thousand Seven Hundred and Eight only)

   ii. Expenses: The Company will reimburse all properly documented expenses reasonably related to the performance of his duties hereunder in accordance with its standard policy.

   iii. Holidays: Mr. Sunil Suresh will be entitled to avail of holidays as per the policies of the Company in force from time to time.

   iv. Benefits: Mr. Sunil Suresh's entitlement to the benefit schemes of the Company shall be in accordance with the applicable law and as per the Company's policies in force from time to time.

   v. Excluded in the 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;

      c) Up to 2 vehicles including drivers, maintenance, fuel for discharging official duties.

   No sitting fee shall be paid to Mr. Sunil Suresh for attending the meetings of the Board of Directors or any Committees thereof.

   RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising of salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration comprising salary, perquisites and benefits as detailed above to Mr. Sunil Suresh, subject to such revisions as may be approved by the Board from time to time.

   RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby further empowered to alter and vary terms and conditions of the said appointment in such manner as may be agreed to, between the Board and Mr. Sunil Suresh pursuant to the annual increment procedure as may be applicable under the Company's Policy.

   RESOLVED FURTHER THAT any of the Directors and/or Chief Financial Officer be and is hereby severally authorized to file the necessary e-form(s) with the Ministry of Corporate Affairs, intimate the Stock Exchanges under Regulation 30 of the Listing Regulations, and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

4. To approve remuneration of Mrs. Shubha Sunil (DIN: 01363687), Whole-time Director, for the residual term of appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with Schedule V of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any Statutory modification or re-enactment thereof for the time being in force), based on the recommendations of the Nomination and Remuneration Committee and the Board, consent of the Shareholders be and are hereby accorded to appoint Mrs. Shubha Sunil, (DIN: 01363687) as Whole-time Director of the Company, liable to retire by rotation, for a period of Five (5) years with effect from August 16, 2023 to August 15, 2028.

RESOLVED FURTHER THAT remuneration payable to, and other perquisites to be vested in, Mrs. Shubha Sunil, Whole-time Director of the Company with effect from 16 August, 2026 until 15 August 2028, the residual term of her appointment, be as per the terms and conditions as mentioned below:

i. Gross Monthly Salary: ₹ 17,53,390/- (Rupees Seventeen Lakhs Fifty-Three Thousand Three Hundred and Ninety only).

ii. Expenses: The Company will reimburse all properly documented expenses reasonably related to the performance of her duties hereunder in accordance with its standard policy.

iii. Holidays: Mrs. Shubha Sunil will be entitled to avail of holidays as per the policies of the Company in force from time to time.

iv. Benefits: Mrs. Shubha Sunil's entitlement to the benefit schemes of the Company shall be in accordance with the applicable law and as per the Company's policies in force from time to time.

v. Excluded in the 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;

   c) Up to 2 vehicles including drivers, maintenance, fuel for discharging official duties

No sitting fee shall be paid to Mrs. Shubha Sunil to attend the meetings of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising of salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration comprising salary, perquisites and benefits as detailed above to Mrs. Shubha Sunil, subject to such revisions as may be approved by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby further empowered to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mrs. Shubha Sunil pursuant to the annual increment procedure as may be applicable under the Company's Policy.

RESOLVED FURTHER THAT any of the Directors and/or Chief Financial Officer be and is hereby severally authorized to file the necessary e-form(s) with the Ministry of Corporate Affairs, intimate the Stock Exchanges under Regulation 30 of the Listing Regulations, and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

5. To approve change in designation of Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) from Joint Managing Director to Managing Director and remuneration for the residual term of appointment.

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** subject to applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and the Board, consent of the shareholders be and is hereby accorded for change in designation of Mr. Venkataramana Seshagirirao Gorti from Joint Managing Director to Managing Director of the Company, liable to retire by rotation, with effect from 27 May, 2026 until 15 December 2030, the residual term of his appointment.

RESOLVED FURTHER THAT based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company, consent of the Shareholders be and is hereby accorded for change in remuneration payable to Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382), at an amount of ₹ 1,85,00,000 (Rupees One Crore Eighty-Five Lakhs) per annum as detailed below for a term of 3 years from 1 June 2026 until 15 December 2028:

i. Gross Monthly Salary: ₹ 15,41,667/- (Rupees Fifteen Lakhs Forty-One Thousand Six Hundred and Sixty-Seven only).

ii. Perquisites & Allowances: Provision of rented residential accommodation with a monthly rent of ₹2.2lakhs

iii. Company owned car and driver

iv. Employee stock options (ESOPs): 5,70,000 stock options.

RESOLVED FURTHER THAT grant of 5,70,000 stock options to Mr. Venkataramana Seshagirirao Gorti be and is hereby ratified by the shareholders.

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits in any financial year or years, the aforementioned remuneration comprising of the afore-mentioned components as approved herein be continued to be paid as minimum remuneration to Mr. Venkataramana Seshagirirao Gorti, subject to such revisions as may be approved by the Board from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby further empowered to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Venkataramana Seshagirirao Gorti pursuant to the annual increment procedure as may be applicable under the Company's Policy.

RESOLVED FURTHER THAT any of the Directors and/or Chief Financial Officer be and is hereby severally authorized to file the necessary e-form(s) with the Ministry of Corporate Affairs, intimate the Stock Exchanges under Regulation 30 of the Listing Regulations, and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

6. To consider and ratify the number of stock options and the maximum vesting period under 'Stanley Lifestyles Limited Employee Stock Option Plan-2022'

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013, read with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 'Stanley Lifestyles Limited Employee Stock Option Plan-2022' ('ESOP 2022'), consent of the shareholders of the Company be and is hereby accorded to ratify the following:

(i) 'Increase in the ESOP Pool from 15,08,212 Options to 37,93,580 Options' in place of 'Increase in the ESOP Pool from 19,30,506 options to 37,93,580 Options' under Item no. 4 of the Notice of 18th Annual General Meeting, dated 28 August 2025;

(ii) It is confirmed that the maximum period within which the grants shall be vested is 5 (Five) years, as per approval of the shareholders at the Extra-ordinary General Meeting held on 31 August 2023.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

By Order of the Board,
For **Stanley Lifestyles Limited**

Place: Bangalore
Date: 06.09.2026

Sunil Suresh
Executive Chairman

Notes:

1) Pursuant to the latest General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (MCA) and latest Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by SEBI (hereinafter collectively referred to as "the Circulars") read with the other Circulars issued from time to time, Companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

2) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held through VC, the facility for the appointment of proxies by the members will not be applicable.

3) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4) The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5) Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to compliance@stanleylifestyles.com with a copy marked to (einward.ris@kfintech.com)

6) The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Act, Annual Report will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2026. Members seeking to inspect such documents can send an email to compliance@stanleylifestyles.com

7) Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP).

   Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the SEBI Circulars from time to time.

8) Members are requested to address all correspondence to RTA, KFin Technologies Limited, Unit: Stanley Lifestyles Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032 and e-mail at einward.ris@kfintech.com

9) In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by KFin Technologies Limited. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mrs. Kalaivani S, (Membership No. ACS57112) (CP No. 22158) Practicing Company Secretary, as the Scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.

10) Members holding shares either in physical or dematerialized mode, as on cut-off date, i.e. September 22, 2026, may cast their votes electronically. The e-voting period commences on September 25, 2026 (9:00 a.m. IST) and ends on September 27, 2026 (5:00 p.m. IST). The e-voting module will be disabled by KFin Technologies Limited thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e., September 22, 2026. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

11) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the Listing Regulations read with MCA Circulars, as amended, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 19th AGM and facility for those Members participating in the 19th AGM to cast vote through remote e-Voting system during the 19th AGM. For this purpose, KFin Technologies Limited ("KFin") will be providing facility for voting through remote e-Voting,

for participation and remote e-Voting in the 19th AGM through VC/ OAVM facility and remote e-Voting during the 19th AGM. Members may note that KFin may use third party service provider for providing participation of the Members through VC/ OAVM facility.

12) The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

13) Any person holding shares in physical mode or a person, who acquires shares and becomes a member of the Company after the Notice is sent and holding shares as on the cut-off date, i.e. September 22, 2026, may obtain the login ID and password by sending a request to einward.ris@kfintech.com. However, if he / she is already registered with KFin Technologies Limited for remote e-voting, then he / she can use his / her existing user ID and password for casting the vote.

14) In compliance with the Circulars, the Annual Report for 2025-26, the Notice of the 19th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). A letter providing the web-link for accessing the Annual Report will be sent to those members who have not registered their email address with the Company.

15) We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses, are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2025-26 in electronic mode.

16) Members may also note that the Notice of the 19th AGM and the Annual Report 2025-26 will also be available on the Company's website at, www.stanleylifestyles.com, websites of the stock exchanges, i.e BSE and NSE, at www.bseindia.com and www.nseindia.com.

17) The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning business under Item Nos. 1 to 6 of the Notice is annexed hereto.

18) The Scrutinizer will submit her report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be communicated to the stock exchanges, RTA, and will also be displayed on the Company's website www.stanleylifestyles.com

19) Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

20) The Company has designated an exclusive email address, investors@stanleylifestyles.com which enables the Members to post their grievances and monitor its redressal. Any member having any grievance may post the same to the said Email address for its quick redressal.

The Company has availed the services of KFin Technologies Limited ("**KFin**") for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM (Insta Poll).

a) Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the Tuesday, September 22, 2026 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on September 25, 2026 at 9:00 a.m. IST and ends on September 27, 2026 at 5:00 p.m. IST. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.

b) The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by KFin.

d) In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/ HO/CFD/ CMD/ CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

The procedure for remote e-voting is as under:

A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

Individual Shareholders holding securities in Demat mode with CDSL	1. Existing user who have opted for Electronic Access To Securities Information ("Easi/ Easiest") facility: i. Visit https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com. ii. Click on New System Myeasi. iii. Login to Myeasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication. 2. User not registered for Easi/ Easiest i. Visit https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration or, https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. 3. Alternatively, by directly accessing the e-voting website of CDSL i. Visit www.cdslindia.com. ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Stanley Lifestyles Ltd.' or select KFin. v. Members will be re-directed to the e-voting page of KFin to cast their vote.
Individual Shareholders holding securities in Demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: i. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. iii. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. iv. Click on company name i.e. 'Stanley Lifestyles Ltd.' or ESP i.e. KFin. v. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period.

	3. Those not registered under IDeAS: i. Visit https://eservices.nsdl.com for registering. ii. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. iv. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. v. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. vi. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. vii. Click on company name i.e., Stanley Lifestyles Ltd. or ESP i.e., KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. viii. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Members login through their demat accounts / website of DPs	i. Members can also login using the login credentials of their demat account through their DPs registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against 'Stanley Lifestyles Ltd.' or 'KFin'. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 102 0990** and **1800 22 4430**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-62343625, 022-62343626, 022-62343259**

B. Access to KFin e-voting system in case of members holding shares in physical and non-individual members in demat mode.

Members whose e-mail IDs are registered with the Company / DPs, will receive an e-mail from KFin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com.

ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Stanley Lifestyles Ltd.’ and click on “Submit”

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. In case you do not desire to cast your vote, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution.

xii. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

xiii. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date i.e., September 22, 2026.

xiv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., September 22, 2026, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

a) Send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL :
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

b) On the home page of https://evoting.kfintech.com, click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

Mr. Sunil Suresh was appointed as the Managing Director of the Company for a period of 5 years with effect from August 16, 2023 till August 15, 2028 at the Extraordinary General Meeting held on 22nd August, 2023. The remuneration and other perquisites payable to Mr. Sunil Suresh were approved for a period of 3 years with effect from August 16, 2023 till August 15, 2026 at the same Extraordinary General Meeting.

Further, change in remuneration and other perquisites payable to Mr. Sunil Suresh for the residual term of his appointment was approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their meetings held on 13th August 2026 respectively and is due for approval of shareholders and the same is being sought as part of Item 3 of this Notice.

As part of ongoing management restructuring and organizational realignment initiatives of the Company aimed at enhancing leadership effectiveness, strengthening governance practices, ensuring better allocation of executive responsibilities, and supporting the Company's future growth plans, the management has reorganized the existing management structure. Further, in order to facilitate a more focused and efficient management framework and in order to ensure continuity in strategic and operational leadership, certain changes in the Board were implemented. This restructuring is expected to improve operational oversight, strengthen decision-making processes, and align the Company's executive management structure with its present and future business requirements.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board on May 27, 2026, subject to approval of the shareholders, changed the designation of Mr. Sunil Suresh from Chairman and Managing Director to Executive Chairman in the category of Whole-time Director, with all other terms and conditions of appointment and remuneration remaining the same.

Recognizing his pivotal role in steering the Company's strategic and operational objectives, the Nomination and Remuneration Committee (NRC) and the Board of Directors have evaluated his performance and recommended the payment of remuneration for the residual term of his appointment, up to 15 August 2028.

Requisite information and details in accordance with the applicable provisions are forming part of Annexure I and II. Mr. Sunil Suresh, Mrs. Shubha Sunil and their respective relatives are interested in the resolution to the extent of their shareholding and remuneration. None of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out in Item No. 3 for your approval as Special Resolution.

Item No. 4:

Mrs. Shubha Sunil was appointed as the Whole-time Director of the Company for a period of 5 years with effect from August 16, 2023 till August 15, 2028 at the Extraordinary General Meeting held on 22nd August, 2023. The remuneration and other perquisites payable to Mrs. Shubha Sunil was approved for a period of 3 years with effect from August 16, 2023 till August 15, 2026 at the same Extraordinary General Meeting.

Further, change in remuneration and other perquisites payable to Mrs. Shubha Sunil for the residual term of her appointment was approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their meetings held on 13th August 2026 respectively and is due for approval of shareholders and the same is being sought as part of Item 4 of this Notice.

Recognizing her pivotal role in steering the Company's strategic and operational objectives, the Nomination and Remuneration Committee (NRC) and the Board of Directors have evaluated her performance and recommended the payment of remuneration for the residual term of her appointment, up to 15 August 2028.

Requisite information and details in accordance with the applicable provisions are forming part of Annexure I and II.

Mrs. Shubha Sunil, Mr. Sunil Suresh and their respective relatives are interested in the resolution to the extent of their shareholding and remuneration. None of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out in Item No. 4 for your approval as Special Resolution.

Item No. 5:

It may be recalled that the shareholders had approved the appointment of Mr. Venkataramana Seshagirirao Gorti as the Joint Managing Director of the Company for a period of 5 years with effect from December 16, 2025 till December 15, 2030 along with the remuneration and other perquisites payable to Mr. Venkataramana Seshagirirao Gorti for a period of 3 years with effect from the date of his appointment as Joint Managing Director of the Company.

As part of ongoing management restructuring and organizational realignment initiatives of the Company aimed at enhancing leadership effectiveness, strengthening governance practices, ensuring better allocation of executive responsibilities, and supporting the Company's future growth plans, the management has reorganized the existing management structure. Further, in order to facilitate a more focused and efficient management framework and in order to ensure continuity in strategic and operational leadership, certain changes in the Board were implemented. This restructuring is expected to improve operational oversight, strengthen decision-making processes, and align the Company's executive management structure with its present and future business requirements.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board on May 27, 2026, subject to approval of the shareholders, changed the designation of Mr. Venkataramana Seshagirirao Gorti from Joint Managing Director to Managing Director, with all other terms and conditions of appointment and remuneration remaining the same. Further, the provision of rented residential accommodation with a monthly rent of ₹ 2.2 lakhs payable to Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was approved at the Board meeting held on 27 May 2026.

The shareholders are requested to approve inclusion of grant of employee stock options (ESOPs) to Mr. Venkataramana Seshagirirao Gorti as part of components of his remuneration and also ratify the ESOPs issued by the Company.

Requisite information and details in accordance with the applicable provisions are forming part of Annexure I and II.

Except Mr. Venkataramana Seshagirirao Gorti himself, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out in Item No. 5 for your approval as Special Resolution.

Item No. 6:

Further to the directions of the Stock Exchanges in connection to the in-principle approvals granted for ESOP 2022, approval of the shareholders is sought for ratification of the below:

i. NSE & BSE vide their approval letters dated 30th December 2024 and 30th December 2024 respectively provided initial in-principle approvals for grant of 19,30,506 stock options. At the AGM held on 26th September 2025, the Company sought approval for increase in no. of stock options from 19,30,506 stock options to 37,93,580 stock options by seeking approval for increase in 18,63,074 stock options. However, in the Notice of AGM held on 26th September 2025, it was inadvertently mentioned as 15,08,212 in place of 18,63,074. The Company confirms that the total ESOP pool after the said increase stands at 37,93,580 stock options only as approved by the Shareholders.

ii. It is confirmed that the maximum period within which the grants shall be vested is 5 (Five) years, as per approval of the shareholders at the Extra-Ordinary General Meeting held on 31 August 2023

As part of the undertaking provided to the Stock Exchanges as part of the in-principle application made for 18,63,074 stock options, the shareholders are herewith requested to take note and ratify the aforementioned.

None of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the said resolution, except to the extent of ESOPs, if any, held by them.

The Nomination and Remuneration Committee and the Board recommends the resolution set out in Item No. 6 for your approval as Special Resolution.

ANNEXURE - I

PARTICULARS OF DIRECTORS AS REQUIRED TO BE FURNISHED UNDER SECRETARIAL STANDARD (SS-2) ON GENERAL MEETINGS AND REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Particulars	Mr. Sunil Suresh	Mrs. Shubha Sunil	Mr. Venkataramana S. Gorti
DIN	01421517	01363687	08526382
Designation	Executive Chairman	Whole-time Director	Managing Director
Date of Birth / Age (Years)	18th February 1966 (60 years)	04th February 1975 (51 years)	03rd February 1969 (57 years)
Qualification	SSLC	Bachelor of Science	Bachelor of Engineering, Mechanical M.S. University, Vadodara EGMP (Executive MBA) IIM, Bangalore
Brief Profile & experience in specific functional areas	Mr. Sunil Suresh is the Founder & Executive Chairman of Stanley Lifestyles Limited. His vision, entrepreneurial spirit and unwavering commitment to craftsmanship have transformed Stanley into one of India's most admired luxury furniture brands. 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.	Mrs. Shubha Sunil is the Whole Time Director of our Company. She has cleared the Bachelor 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. Prior to the incorporation of our Company, she was associated with Stanley Seating, which was engaged in the business of manufacturing car seat leather upholstery.	Mr. Venkataramana Seshagirirao Gorti is the Managing Director of Stanley Lifestyles Limited. He holds an Executive MBA (EGMP) from the Indian Institute of Management Bangalore and a Bachelor of Engineering (Mechanical) from M.S. University, Vadodara. With over three decades of experience in global operations, supply chain management, and business leadership, he has held senior leadership positions with renowned multinational organizations, including Honeywell, Wipro, and General Electric. His extensive industry expertise and strategic leadership continue to drive Stanley's growth, operational excellence, and long-term value creation.
Terms of Appointment	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above
Remuneration last drawn (including sitting fees, if any)	Gross Monthly Salary: ₹ 16,10,000/- (Rupees Sixteen Lakhs and Ten Thousand only).	Gross Monthly Salary: ₹ 17,25,000/- (Rupees Seventeen Lakhs and Twenty-Five Thousand only).	Gross Monthly Salary: ₹ 11,25,000/- (Rupees Eleven Lakhs and Twenty-Five Thousand only).
Remuneration Proposed to be paid	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above
Inter-se Relationship between Directors	Husband of Mrs. Shubha Sunil	Wife of Mr. Sunil Suresh	None
Number of Board meetings attended	6	6	2
List of Directorships/ Chairmanship/Membership held in other Companies including Listed Entities, if any	7	7	1

ANNEXURE – II

DISCLOSURES AS REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V READ WITH SECTION 203 OF THE COMPANIES ACT, 2013

i. Payment of remuneration of Mr. Sunil Suresh, Mrs. Shubha Sunil and Mr. Venkataramana Seshagirirao Gorti as aforementioned were recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, subject to approval of the shareholders, at their respective Meetings held on 13 August 2026 and 27 May 2026 respectively for approval of the Shareholders.

ii. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon or preference shares and dividend on preference shares for continuous period of thirty days in the preceding Financial Year.

iii. **Other particulars:**

GENERAL INFORMATION:

1. Nature of Industry	Designing, Manufacturing and Offering Bespoke Furniture
2. Date or expected date of commencement of commercial production	Existing Company in operation since 2007
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus	Not applicable
4. Financial performance based on given indicators	In the Financial Year 2025-26, the Company made a turnover of ₹1986 Million and a profit of ₹ 100 Million.
5. Foreign investments or collaborators, if any	Foreign Investment into the Company: Nil Foreign Investment by the Company: Nil Foreign Collaborators: Nil

INFORMATION ABOUT THE APPOINTEE:

	Mr. Sunil Suresh	**Mrs. Shubha Sunil**	**Mr. Venkataramana Seshagirirao Gorti**
Background details	Senior promoter director with extensive leadership experience in scaling Stanley Lifestyles.	Promoter director with long-standing involvement in governance and operations of the company.	Result-oriented professional with over three decades of experience in business operations and supply chain management. Global environment
Past Remuneration	₹ 16,41,708/- per month	₹ 17,53,390/- per month	₹ 15,41,667/- per month
Recognition or awards	Nil	Nil	Nil
Job profile and his suitability	As per the brief profile provided above	As per the brief profile provided above	As per the brief profile provided above
Remuneration proposed	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above	As per the subject matter of the resolution and explanatory statement provided above
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of Mr. Sunil Suresh is comparable to the compensation drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.	The remuneration of Mrs. Shubha Sunil is comparable to the compensation drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.	The remuneration of Mr. Venkataramana Seshagirirao Gorti is comparable to the compensation drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.

	Mr. Sunil Suresh	Mrs. Shubha Sunil	Mr. Venkataramana Seshagirirao Gorti
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Sunil Suresh will be receiving such managerial remuneration as may be approved by the Shareholders, as stated above. Except for the foregoing, Mr. Sunil Suresh does not have any pecuniary relationship, directly or indirectly, with the Company or with any of the other managerial personnel, except to the extent of the remuneration payable to him as Executive Chairman of the Company. He is the husband of Mrs. Shubha Sunil, Whole-time Director of the Company.	Mrs. Shubha Sunil will be receiving such managerial remuneration as may be approved by the Shareholders, as stated above. Except for the foregoing, Mrs. Shubha Sunil does not have any pecuniary relationship, directly or indirectly, with the Company or with any of the other managerial personnel, except to the extent of the remuneration payable to her as Whole-time Director of the Company. She is the wife of Mr. Sunil Suresh, Executive Chairman of the Company.	Mr. Venkataramana Seshagirirao Gorti will be receiving Managerial Remuneration as may be approved by the Shareholders as above. Except for the above, Mr. Venkataramana Seshagirirao Gorti does not have any pecuniary relationship directly or indirectly with the company or with the other Managerial Personnel except to the extent of remuneration payable to him as Managing Director of the Company.

OTHER INFORMATION:

Reason for inadequate profits	The performance of the Company for the year under review has improved.
Steps taken or proposed to be taken for improvements	To mitigate the adverse impact, the Company took various measures such as the new markets for sale.
Expected increase in productivity and profits in measurable terms	The management has adopted focused and aggressive business strategies in all spheres of functions to improve the profitability of the Company.

By Order of the Board,
For **Stanley Lifestyles Limited**

Place: Bangalore
Date: 06.09.2026

Sunil Suresh
Executive Chairman

Boards' Report

To the Members,

The Board of Directors ('the Board') takes pleasure in presenting the 19th Annual Report of Stanley Lifestyles Limited ('the Company') together with the Audited Financial Statements, for the financial year ended March 31, 2026. The consolidated performance of the Company and its subsidiaries has been referred to, wherever required.

1. Financial Highlights

The financial statements of the Company for the year ended March 31, 2026 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Schedule III to the Act, as amended from time to time and applicable guidelines issued by SEBI.

₹ in millions

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations	1,986	2,175	4,193	4,262
Other income	243	236	228	172
Total Income	**2,229**	**2,411**	**4,421**	**4,434**
Expenses				
Raw Materials and components consumed	1,146	1,237	1,626	1,536
Purchase of stock-in- trade	-	-	119	280
Changes in inventories of finished goods and work-in-progress & Stock-in-trade	(8)	27	25	47
Employee benefits expenses	270	284	650	625
Finance costs	68	52	256	182
Depreciation and amortization expenses	142	124	517	444
Other expenses	471	432	1,019	956
Total Expenses	**2,089**	**2,156**	**4,212**	**4,070**
Profit before exceptional item and tax	**140**	**255**	**209**	**364**
Exceptional item	14	-	33	-
Profit before Tax	**126**	**255**	**176**	**364**
Tax Expenses:				
Current Tax	23	61	52	128
Deferred Tax Charge/(Credit)	5	(4)	(3)	(64)
Current Tax expense of earlier years	(2)	5	(3)	8
Tax Expenses	**26**	**62**	**46**	**72**
Share of (Loss) from Associate	-	-	-	-
Share of profit/loss attributable to Minority Interest	-	-	-	1
Profit after Tax	**100**	**193**	**121**	**291**
Profit for the year	**100**	**193**	**121**	**291**

2. State of affairs of the Company

During the year under review, your Company continued to be stable at revenue of ₹ 1,986 million as against ₹ 2,175 million in the previous year- a drop of 8.69 %. Profit for the year 2025-2026 was ₹ 100 million as against ₹ 193 million in the previous year- a decline of 48.19%.

As per the consolidated financial statements, the revenue and profit for the year 2025-2026 were ₹ 4,193 million and ₹ 144 million respectively as against ₹ 4,262 million and ₹ 292 million in the previous year - decline of 1.62% in revenue and a decline of (50.68)% in profit.

The Company's product line is diverse to meet the needs of its customers. The Company's extensive product line comprises Fixed Furniture, Loose Furniture, Kitchen & Cabinetry Division and other accessories such as shoes, bags, perfumes, etc. The Company has been continuously driving product innovation ensuring a steady supply of safe products to its consumers. The Company has a wide range of product baskets that span across every price point catering to requirements of premium to mass segment consumers. The Company continues to retain and reinforce its market share under organized sector with a pan India distribution network comprising of distributors/dealers and retailers.

3. Share Capital

During the year under review, pursuant to the exercise of stock options granted under the Employee Stock Option Plan (ESOP Plan 2022), and in accordance with the approval granted by the Nomination and Remuneration Committee at its meeting held on July 4, 2025, the Company allotted 18,505 (Eighteen Thousand Five Hundred and Five) equity shares of face value ₹2 (Rupees Two only) each to the eligible employees.

Consequently, the issued, subscribed, and paid-up share capital of the Company stands increased to 5,71,25,663 (Five crore seventy-one lakh twenty-five thousand six hundred sixty-three.) equity shares of face value ₹2 (Rupees Two only) each, aggregating to ₹11,42,51,326 (Eleven crore forty-two lakh fifty-one thousand three hundred twenty-six.).

The Authorised Share Capital of the Company is ₹15,00,00,000/- (Rupees Fifteen Crores only) divided into 7,50,00,000 (Seven Crores and Fifty Lakhs) equity shares of ₹2/- (Rupees Two only) each.

The Issued, Subscribed and Paid-up Capital of the Company:

As on March 31, 2025, the issued, subscribed, and paid-up share capital of the Company stood at 5,71,07,158 (Five Crore Seventy-One Lakh Seven Thousand One Hundred and Fifty-Eight) equity shares of face value ₹2 (Rupees Two only) each, aggregating to ₹11,42,14,316 (Rupees Eleven Crore Forty-Two Lakh Fourteen Thousand Three Hundred and Sixteen only).

Subsequently, pursuant to the exercise of stock options granted under the Employee Stock Option Plan (ESOP), and in accordance with the approval granted by the Nomination and Remuneration Committee at its meeting held on July 4, 2025, the Company allotted 18,505 (Eighteen Thousand Five Hundred and Five) equity shares of face value ₹2 (Rupees Two only) each to eligible employees.

Consequently, as on March 31, 2026, the issued, subscribed, and paid-up share capital of the Company stands increased to 5,71,25,663 (Five Crore Seventy-One Lakh Twenty-Five Thousand Six Hundred and Sixty-Three) equity shares of face value ₹2 (Rupees Two only) each, aggregating to ₹11,42,51,326 (Rupees Eleven Crore Forty-Two Lakh Fifty-One Thousand Three Hundred and Twenty-Six only).

4. Issue of debentures, bonds or any non-convertible securities

The Company has not issued any debentures, bonds or any non-convertible securities during the year under review.

5. Issue of warrants

The Company has not issued any warrants during the year under review.

6. Dividend Distribution Policy

The Dividend Distribution Policy of the Company sets out the parameters and circumstances that the Board considers in determining the distribution of dividend in terms of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations) which can be accessed on the Website of the Company at https://www.stanleylifestyles.com/storage/Investor/August2024/nKQCX-Dividend%20Distribution.pdf

7. Dividend

The Board has not recommended any dividend for the financial year under review.

8. Transfer of unclaimed/unpaid dividend and the corresponding shares to Investor Education And Protection Fund (IEPF)

The Company has no unclaimed/unpaid dividend during the year under review.

9. Transfer to Reserves

The Board does not propose to transfer any amount to reserves during the year under review.

10. Change in the nature of Business

There has been no change in the nature of business of the Company for the year under review.

11. Initial public offering of equity shares

During the previous year ended 31st March, 2025, Stanley Lifestyles Limited successfully completed its Initial Public Offering (IPO) aggregating to ₹ 5,370.24 million comprising 1,45,53,508 equity shares at an offer price of ₹ 369 per share (₹ 367 premium and ₹ 2 face value), which included a fresh issue of 54,20,054 equity shares aggregating to ₹ 2,000.00 million and an Offer for Sale of 91,33,454 equity shares aggregating to ₹ 3,370.24 million, with the equity shares listed on NSE and BSE on June 28, 2024; the gross proceeds of ₹ 2,000.0 million (excluding OFS) were reduced by issue-related expenses of ₹ 189.15 million, resulting in net proceeds of ₹ 1,810.85 million, later revised upward to ₹ 1,839.37 million due to lower actual expenses, and as confirmed in the Q4 FY26 Pursuant to the IPO, equity shares were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 28th June 2024. Monitoring Agency Report by ICRA, the utilization of proceeds was fully aligned with the stated objects of the issue—investment in subsidiaries for new stores, anchor stores and renovations, capital expenditure for machinery and equipment, and general corporate purposes—with ₹ 1,220.08 million utilized by March 31, 2026, ₹ 779.92 million temporarily parked in fixed deposits earning interest, and no material deviations or adverse events reported.

12. Utilization of IPO proceeds

The Company successfully raised ₹5,370.24 Million (Rupees Five Thousand Three Hundred and Seventy Million Twenty Four Lakhs Only) through its Initial Public Offering (IPO), comprising a Fresh Issue of ₹2,000.00 million and an Offer for Sale (OFS) of ₹3,370.24 million. Excluding the OFS portion, the Company received gross proceeds of ₹2,000.00 million, out of which ₹189.15 million was incurred towards issue-related expenses. Consequently, the net proceeds originally stood at ₹1810.85 million, subsequently revised upward to ₹1839.37 million due to lower actual expenses (a saving of ₹28.52 million).

The net proceeds have been utilised during the year under review in accordance with the objects of the issue, as detailed below:

S. No	Item Head	Sub head	Total Amount proposed to be spent (₹ Millions)	Total Amount spent (₹ Millions)	Balance Unutilised (₹ Millions)
1	Investment in certain Subsidiaries for:	Opening of New Stores under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley"	901.27	642.60	258.67
		Opening Anchor Stores	399.90	-	399.90
		Renovation of Existing Stores under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley"	100.40	12.00	88.40
2	Funding capital expenditure requirements for purchase of new machinery and equipment by Company and Stanley OEM Sofas Limited	-	66.59	Fully Utilised	
3	General Corporate Purposes	-	342.69 (Revised 371.21)	338.26	32.95
	Total		**1,810.85 (Revised 1,839.37)**	**1,059.45**	**779.92**

There has been no deviation in the utilisation of the IPO proceeds of the Company.

The Monitoring Agency Reports can be accessed on the Website of the Company at https://www.stanleylifestyles.com/investors/investors-information

13. Credit Rating

During the previous year ended 31st March, 2025, Investment Information and Credit Rating Agency (ICRA), vide its report dated December 30, 2024, assigned the following ratings to the Company's bank facilities: **Long-term fund-based facilities – A (Stable); Short-term non-fund-based facilities – A1; and Long-term/Short-term unallocated facilities – A1. Subsequently, ICRA withdrew the ratings on October 10, 2025** at the request of Stanley Lifestyles Limited, following receipt of a no-due certificate (NDC) from its banker, in accordance with ICRA's policy on withdrawal of credit ratings.

14. Consolidated Financial Statements

The audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries and step-down subsidiaries, as prepared in compliance with the Act Listing Regulations and in accordance with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 along with all relevant documents and the Independent Auditors' Report thereon forms part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's subsidiaries and step-down subsidiaries for the financial year ended on 31 March 2026 in Form AOC-1 forms part of this Annual Report and marked as **ANNEXURE I**, in this report.

15. Employee Stock Option Plan (ESOP)

Pursuant to Rule 12(9) of Chapter IV of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the disclosures with respect to the employee stock option schemes of the Company are provided in **ANNEXURE II** forming part of this Board's Report.

Further, both the National Stock Exchange of India Limited (NSE) and BSE Limited granted in-principle approvals on March 17, 2026 for issue of up to 18,63,074 equity shares of ₹2 each to be allotted under the Stanley Lifestyles Limited Employee Stock Option Plan 2022.

Pursuant to the requirements of the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, a certificate has been issued by the Secretarial Auditor of the Company confirming that the Stanley Lifestyles Limited Employee Stock Option Plan 2022 has been implemented in accordance with the said Regulations and the resolution passed by the Company in the General Meeting. In compliance with Regulation 14 read with Part F of the SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021, the requisite disclosures as on March 31, 2026 are placed on the website of the Company at https://www.stanleylifestyles.com/storage/Investor/October2025/eIARM-Stanley%20Lifestyles%20Limited%20-%20ESOP%20Plan%20Latest%20(26.09).pdf.

16. Share Registrar & Transfer Agent

KFin Technologies Limited is the Registrar and Transfer Agent of the Company.

17. Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/corporate-governance

18. Particulars of Loans, Guarantees or Investments

During the year under review, your Company has not given any loan in terms of the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. The Company has a corporate guarantee of ₹ 7 Crore issued to HDFC Bank Limited on behalf of Stanley OEM Sofas Limited, its Wholly Owned Subsidiary, which was reviewed and successfully renewed by the Board during the year for a further period of one year at an optimized commission rate. Additionally, the Board approved the revocation of a corporate guarantee of ₹ 20 Crore given to ICICI Bank Limited on behalf of Stanley Retail Limited, as the underlying credit facilities remained unutilized and were formally closed.

In furtherance to the Objects of the offer as per the prospectus of the Company filed at the time of the IPO of the Company, Your Board of Directors informs you that the Company has made a further investment in Stanley Retail Limited, a wholly owned subsidiary (material subsidiary) of the Company, through a rights issue.

Further, Stanley Retail Limited has made an investment through Rights Issue in Sana Lifestyles Limited and Staras Seating Private Limited, wholly owned subsidiaries of Stanley Retail Limited and step-down subsidiaries of the Company.

Below are the Material Subsidiaries of the Company:

1. Stanley Retail Limited
2. Stanley OEM Sofas Limited

Details of the same are as mentioned in Note No. 6 of the Financial Statements (Standalone).

19. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

The Company has initiated a fast-track merger of its wholly-owned subsidiaries under Section 233 of the Companies Act, 2013. The scheme has been approved by the Board and is currently under process of shareholder approval. Appropriate disclosures have been made to the Stock Exchanges in compliance with Regulation 30 of the Listing Regulations.

20. Revision of financial statement or the Report

The Company has not revised its Financial Statement or Board's Report during the financial year or the last three Financial Years.

21. Directors and Key Managerial Personnel

I. Composition of the Board of Directors

As of March 31, 2026, the Board of Directors of your Company consisted of six members, comprising three Executive Directors and three Non-Executive Independent Directors. The composition of the Board is in compliance with the requirements of Regulation 17 of the Listing Regulations and Section 149 of the Act.

The details of the Board members as on the date of the Report are as follows:

Category	Name of Director	Designation
Executive Director(s)	Mr. Sunil Suresh	Executive Chairman
	Mrs. Shubha Sunil	Whole-time Director
	Mr. Venkataramana Seshagirirao Gorti	Managing Director
Non-Executive Independent Director(s)	Mr. Girish Shrikrishna Nadkarni	Independent Director
	Mr. Ramanujam Venkat Raghavan	Independent Director
	Mrs. Anusha Shetty	Independent Director

Change in Composition of the Board of Directors

During the year under review, the composition of the Board of Directors ("Board") underwent the following changes:

i. **Independent Directors**

There were no changes in the composition of the Independent Directors during the year under review.

ii. **Other Directors**

- **Resignation of Mrs. Sonakshi Sunil**

  Mrs. Sonakshi Sunil (DIN: 09387990), Non-Executive Director, resigned from the Board with effect from December 16, 2025.

- **Appointment and Re-designation of Mr. Venkataramana Seshagirirao Gorti**

  Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was appointed as an Additional Director and Joint Managing Director of the Company with effect from December 16, 2025.

  Subsequently, the shareholders approved his appointment as Director and Joint Managing Director by passing a Special Resolution through Postal Ballot on March 10, 2026.

  Thereafter, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on May 27, 2026, Mr. Gorti was re-designated as the Managing Director of the Company.

- **Re-designation of Mr. Sunil Suresh**

  Consequent to the re-designation of Mr. Venkataramana Seshagirirao Gorti as Managing Director, Mr. Sunil Suresh was re-designated from Chairman & Managing Director to Executive Chairman of the Company with effect from May 27, 2026.

iii. **Directors retiring by rotation**

Mr. Sunil Suresh, Executive Chairman, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his reappointment for consideration by the Members of the Company at the ensuing Annual General Meeting.

II. Key Managerial Personnel

The Key Managerial Personnel of the Company in accordance with Regulation 2(1)(bb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, Section 2(51) of the Companies Act, 2013 and Senior Management Personnel ("SMP") of the Company during the financial year ended 31 March 2026:

Name	Designation
Mr. Sunil Suresh	Executive Chairman
Mrs. Shubha Sunil	Whole-Time Director
Mrs. Sonakshi Sunil	Director
Mr. Venkataramana Seshagirirao Gorti	Managing Director
Mr. J K Sharath	Chief Financial Officer
Mr. Rasmi Ranjan Naik	Company Secretary & Compliance Officer
Mr. Mukesh Sharma	Company Secretary & Compliance Officer
Mr. Sharath Shetty	Executive Vice President– Group Manufacturing
Mr. Sijo Martin	Chief Operating Officer – Stanley Retail Limited
Mr. Akash Shetty	Company Secretary & Compliance Officer
Mr. Pradeep Kumar Mishra	Chief Financial Officer

Notes:

1. Mrs. Sonakshi Sunil resigned as Director of the Company with effect from December 16, 2025.

2. Mr. Venkataramana Seshagirirao Gorti was appointed as an Additional Director and Joint Managing Director of the Company with effect from December 16, 2025. The shareholders approved his appointment as Director and Joint Managing Director on March 10, 2026, by way of a Special Resolution passed through Postal Ballot. Subsequently, pursuant to the recommendation of the Nomination and Remuneration Committee at its meeting held on May 27, 2026, he was re-designated as the Managing Director of the Company. Consequently, Mr. Sunil Suresh was re-designated from Chairman & Managing Director to Executive Chairman of the Company.

3. Mr. J. K. Sharath was appointed as the Chief Financial Officer of the Company with effect from August 13, 2025 and resigned from the said position with effect from the close of business hours on March 31, 2026.

4. Mr. Rasmi Ranjan Naik was appointed as the Company Secretary and Compliance Officer of the Company with effect from August 13, 2025, and resigned from the said position with effect from April 8, 2026.

5. Mr. Mukesh Sharma was appointed as the Company Secretary and Compliance Officer of the Company with effect from April 8, 2026.

6. Mr. Akash Shetty, Company Secretary and Compliance Officer, and Mr. Pradeep Kumar Mishra, Chief Financial Officer, formed part of the Key Managerial Personnel of the Company during part of the financial year under review. Mr. Akash Shetty ceased to be a Key Managerial Personnel with effect from the close of business hours on 19th June 2025, while Mr. Pradeep Kumar Mishra ceased to be a Key Managerial Personnel with effect from the close of business hours on 13th August 2025.

Further, pursuant to Regulation 16(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following person formed part of the Senior Management Personnel of the Company as on March 31, 2026:

- **Mr. Sharath Shetty – Executive Vice President, Group Manufacturing**

  Mr. Sijo Martin – Chief Operating Officer, Stanley Retail Limited Resigned with effect from on 25th March 2026.

III. Woman Director

In terms of the provisions of Section 149 of the Act and Regulation 17(1)(a) of the Listing Regulations the Company is required to have at least one-woman director on the Board.

The Company has two Women Directors on the Board, namely, Mrs. Shubha Sunil (DIN: 01363687) as Whole-Time Director and Mrs. Anusha Shetty (DIN: 01666992) as an Independent Director.

IV. Declaration by Independent Directors and statement on compliance with the code of conduct

The Company has received necessary declarations with respect to independence from all the independent directors in compliance of Section 149 (7) of the Act. The declarations are specified in Annexure III to this report

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for Directors and senior management personnel formulated by the Company.

V. Nomination & Remuneration Policy

The Nomination and Remuneration Committee has formulated the Nomination and Remuneration Policy which sets out the criteria for determining qualifications, positive attributes and independence of Directors. It also lays down criteria for determining qualifications, positive attributes of KMPs and senior management and other matters provided under Section 178(3) of the Act and the Listing Regulations.

The Nomination and Remuneration Policy of the Company as approved and adopted by the Board is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/policies

22. Board Meeting

During the Financial Year 2025-26, our Board has met 6 (Six) times, and the meetings were held on:

Sr. No.	Date of Board Meeting	No. of Directors Entitled to Attend	No. of Directors Attended
1	26.05.2025	6	6
2	13.08.2025	6	6
3	28.08.2025	6	5
4	11.11.2025	6	6
5	16.12.2025	6	6
6	12.02.2026	6	6

Requisite quorum was present for all the Meetings. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations. The Company provides all the Board Members with the facility to participate in the meetings of the Board and its Committees through Video Conferencing or Other Audiovisual Means. The details of the meetings have been enclosed with the Corporate Governance Report, which forms part of this report.

Pursuant to the requirements of Schedule IV to the Act and the Listing Regulations, two separate Meetings of the Independent Directors of the Company were held on November 11, 2025 and March 17, 2026 , and the Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the Listing Regulations.

23. Committees of Board

The Company has various Committees which have been constituted as part of good corporate governance practices and the same follow the requirements of the relevant provisions of applicable laws and statutes.

The Committees of the Board are the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, Risk Management Committee, Those Charged with Governance Committee and Stakeholders' Relationship Committee.

The details with respect to the composition, powers, roles, terms of reference, Meetings held, and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

24. Recommendations of the Audit Committee

During the year under review, there were no instances during the year where the Board rejected any recommendations of the Audit Committee, warranting disclosure under Section 177(8) of the Act.

25. Company's policy on Directors' appointment and remuneration

The Policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and such other matters, as required under subsection (3) of Section 178 of the Act, is available on the Company's website. The Company affirms that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company which is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/policies.

26. Annual Evaluation of Board, Committees, and Individual Directors

The Board adopted a formal mechanism for evaluating its performance and as well as that of its committees and individual Directors including the Chairman of the Board. This exercise is being carried out annually through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

27. Code of Conduct for Board and Senior Management

In compliance with Regulation 26(3) of the Listing Regulations and the Act, the Company has framed and adopted a Code of Conduct for Directors and Senior Management "the Code" which provides guidance on ethical conduct of business and compliance with laws and Regulations.

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as of March 31, 2026. A declaration to this effect, signed by the Managing Director in terms of the Listing Regulations. is given in the Report of Corporate Governance forming part of this Annual Report and is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/policies.

28. Code of Practices and procedures for fair disclosure of Unpublished Price Sensitive information

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Fair Disclosure Code), for the fair disclosure of events and occurrences that could impact the price discovery in the market for the Company's securities. The Fair Disclosure Code also provides for maintaining transparency and fairness in dealings with all stakeholders and ensuring adherence to applicable laws and regulations. The same is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/policies.

29. Prevention of Insider Trading

The Board of Directors of the Company has formulated and adopted a Code of Conduct to regulate, monitor and report the trading of shares by insiders. This code lays down the guidelines and procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them of the consequences of non-compliance. The same is placed on the website of the Company which can be accessed at https://www.stanleylifestyles.com/investors/policies.

30. Subsidiary Company, Joint Ventures and Associate Companies

There were no joint ventures and associate companies during the reporting period. The details of Subsidiary Companies/ Step-down Subsidiary Companies of the Company as on March 31, 2026, are as follows:

S. No	Name of the Company	Relationship	% of shareholding
1	Stanley Retail Limited	Wholly Owned Subsidiary	100.00
2	Stanley OEM Sofas Limited	Wholly Owned Subsidiary	100.00
3	ABS Seating Private Limited	Subsidiary	67.00
4	Sana Lifestyles Limited (Stanley Retail Limited – Holding Company)	Step Down Subsidiary	100.00
5	Shrasta Décor Private Limited (Stanley Retail Limited – Holding Company)	Step Down Subsidiary	100.00
6	Staras Seating Private Limited (Stanley Retail Limited – Holding Company)	Step Down Subsidiary	100.00
7	Scheek Home interiors Limited (Stanley Retail Limited – Holding Company)	Step Down Subsidiary	100.00

Notes :

- Shrasta Décor Private Limited has become a Wholly Owned Subsidiary of Stanley Retail Limited as approved in its Board Meeting held on 13th August 2025.
- Scheek Home Interiors Limited, earlier a step-down subsidiary through Stanley Retail Limited, has since been struck off from the Register of Companies and dissolved pursuant to Section 248(5) of the Companies Act, 2013, vide Notice No. STK-7/001518/2026 dated 20 July 2026 issued by the Registrar of Companies, Centre for Processing Accelerated Corporate Exit (C-PACE).

31. Deposits

During the year under review, your Company has not accepted any deposits from the public within the meaning of provisions of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Therefore, the disclosures required under Rule 8(5)(v) of Companies (Accounts) Rules 2014 and Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules 2014 are not applicable.

32. Remuneration Details of Directors, KMPs and Employees

Information as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are specified in **ANNEXURE IV** to this report.

33. Criteria for making payments to Non-Executive Directors

The Non-Executive Directors of the Company are compensated by way of sitting fees for attending meetings of the Board and its Committees, as approved by the Board in accordance with the provisions of the Act and the rules made thereunder. In addition, Non-Executive Directors may be paid commission, subject to approval of the shareholders and within the limits prescribed under the Act.

Independent Directors are not entitled to any stock options.

The remuneration structure is designed to appropriately reflect the time, effort and responsibilities undertaken by the Non-Executive Directors while ensuring compliance with applicable laws and maintaining transparency in governance.

Further, the Company also bears/reimburses expenses incurred by the Directors towards travel, accommodation and other expenses incurred during and for the purpose of attending Board/Committee meetings or in connection with Company-related activities. Apart from the above, no other payment was made by the Company to its Non-Executive Directors during the financial year.

34. Directors' Responsibility Statement

In terms of Section 134 (5) of the Act, the Directors would like to state that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026, and of the profit and loss of the Company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared the annual accounts on a going concern basis;

e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and

f. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

35. Adequacy of Internal Audit and Financial Controls

The Company has adequate internal controls and processes in place with respect to its operations, which provide reasonable assurance regarding the reliability of the financial statements and financial reporting and also the functioning of other operations. These controls and processes are driven through various policies and procedures. During the year, the review of Internal Financial Controls was done, and the report was placed before the Audit Committee.

As per the report the Controls are effective and there are no major concerns. The internal financial controls are adequate and operating effectively to ensure orderly and efficient conduct of business operations.

36. Statutory Auditors

The Members of the Company at the 17th Annual General Meeting held on September 30, 2024, re-appointed Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration Number 117366W/W-100018), as Statutory Auditors of the Company for a second term of 5 years in accordance with the provisions of the Act.

Statutory Auditors of the Company shall hold office from the conclusion of 17th Annual General Meeting until the conclusion of 22nd Annual General Meeting to be held 2029-30 for FY 2028-29.

37. Secretarial Auditor

The Members of the Company at the 18th Annual General Meeting held on September 26, 2025, appointed Mr. Vijayakrishna KT, Practising Company Secretary as the Secretarial Auditor of the Company for a period of five (5) consecutive years, commencing from Financial Year 2025-26 till Financial Year 2029-30.

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit Report for Financial Year 2025-26 as issued by Mr. Vijayakrishna KT is annexed herewith as **ANNEXURE V**.

Mr. Vijayakrishna KT was also appointed as the Secretarial Auditor of Stanley Retail Limited and Stanley OEM Sofas Limited, the Material Unlisted Subsidiaries of the Company in accordance with Regulation 24A of the Listing Regulations.

Secretarial Audit Reports for Financial Year 2025-26 as issued by Mr. Vijayakrishna KT for both the Material Subsidiaries are also annexed herewith as **ANNEXURE V**.

38. Internal Auditor

Messrs Raghavan, Chaudhuri & Narayanan, Chartered Accountants are the Internal Auditors of the Company.

39. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Statutory Auditor / Secretarial Auditor in their Reports, if any

The Statutory Auditors have given their report 'with an unmodified opinion', on the standalone and consolidated Financial Statements of the Company for Financial Year 2025-26.

There has been no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditor in their Report for the year under review. The Company is using Accounting Software "SAP B1". The Company has updated the Vendor that the audit trail feature is not enabled in Accounting Software. The Vendor is in process to enable the audit trail feature in the software and informing the Company that it may take some time.

Sr. No	Qualifications made by the Secretarial Auditor	Management's responses
1)	In accordance with Regulation 30 read with Clause 4 (h) of Schedule III of SEBI (LODR) Regulations, 2015, the listed entity shall intimate outcome of meeting of the Board of Directors held to consider financials within 30 minutes or 3 hours, as the case may be, from the time of conclusion of meeting. There was delay in submission of outcome and copy of financial results for the Quarter and year ended 31.03.2025 beyond 3 hours from the time of conclusion of meeting.	The delay was procedural. The delay occurred for few hours beyond the statutory timelines. The Company has taken all efforts to ensure submission at the earliest possibility.
2)	In accordance with Regulation 23 (9) of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges disclosures of related party transactions in the format as specified by SEBI from time to time. There was a delay of 1 day in submitting the details of related party transactions for the Quarter and year ended 31.03.2025.	The delay was procedural. The delay occurred for few hours beyond the statutory timelines. The Company has taken all efforts to ensure submission at the earliest possibility.
3)	In accordance with Regulation 32 of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges statement of deviations, if any, or variations and comments/report received from the Monitoring Agency within 45 days from the end of each quarter. Monitoring Agency Report along with the Statement of deviations or variations for the quarter ended 31.03.2025 was submitted on 26.05.2025 beyond the said period of 45 days from the end of quarter.	Meetings of the Audit Committee and Board were held on 26.05.2025 and the said Reports were submitted on the same date accordingly.
4)	In accordance with Regulation 23 (9) of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges disclosures of related party transactions in the format as specified by SEBI from time to time. There was a delay of 1 day in submission of the details of related party transactions for the Quarter and half year ended 30.09.2025. NSE and BSE respectively levied fine of Rs. 5000. The said fine were duly paid by the Company to both NSE and BSE within the due date.	The delay was procedural. The delay occurred for few hours beyond the statutory timelines. The Company has taken all efforts to ensure submission at the earliest possibility.

Sr. No	Qualifications made by the Secretarial Auditor	Management's responses
5)	In accordance with the provisions of Sections 179 and 186 of the Companies Act, 2013, there were investments made by the Company in Stanley Retail Limited, Wholly-owned Subsidiary (through rights issue). The same was duly noted by the Board post investment and Form MGT 14 in accordance with Section 179 (3) (e) was not filed.	The Company clarifies that all investments made by the Company into subsidiaries and step-down subsidiaries were executed within the scope of existing Board-authorized investment powers and the general authority granted under the Articles of Association. While no specific Board resolutions were passed for these particular rights issue investments by Stanley Retail Limited, the transactions were covered under the broader mandate previously approved by the Board for subscribing to capital in subsidiaries and step-down subsidiaries as part of objects of the IPO, which have been duly approved by the shareholders. For enhanced transparency, the Company confirms that going forward, any investments in subsidiaries or step-down subsidiaries will be supported by explicit Board resolutions and filed under MGT-14, in line with statutory requirements.
6)	Form INC-28 filed for a compounding order received by the Company on 19.02.2026, issued by the Regional Director, was filed with a delay, in accordance with the provisions of Section 441 (3) (b) of the Companies Act, 2013.	The said delay was due to administrative reasons.
7)	According to the report of the Statutory Auditors for the financial year ended 31 March 2026, the Company has used accounting software for maintaining its books of accounts where in the accounting software did not have the audit trail feature enabled throughout the year.	The Company is using Accounting Software "SAP B1". The Company has updated the Vendor that the audit trail feature is not enabled in Accounting Software. The Vendor is in process to enable the audit trail feature in the software and informing the Company that it may take some time.

40. Compliance with Secretarial Standards

During the Financial year, the Company has complied with the provisions of applicable Secretarial Standards viz. Secretarial Standard on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

41. Corporate Social Responsibility

In compliance with Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) and the composition and function thereof are mentioned in the Corporate Governance Report.

The Board has adopted the CSR Policy formulated, recommended and approved by the CSR Committee, and the same is available on the website of the Company at: https://www.stanleylifestyles.com/storage/Investor/August2024/M1jiH-Policy_Corporate%20Social%20Responsibility.pdf

The CSR Committee has been duly constituted by the Company. Constitution of CSR Committee as on 31 March 2026 is as follows. The same is available on the website of the Company at: https://www.stanleylifestyles.com/investors/corporate-governance/committees-of-the-board

Name	Designation	Capacity
Mr. Ramanujam Venkat Raghavan	Chairman	Independent Director
Mrs. Anusha Shetty	Member	Independent Director
Mrs. Shubha Sunil	Member	Executive Director

The Annual Report on CSR Activities of the Company is furnished as **ANNEXURE VI**

42. Business Responsibility and Sustainability Report

The BRSR follows the National Guidelines on Responsible Business Conduct (NGRBC) principles on the social, environmental and economic responsibilities of business. Our BRSR includes our responses to questions about our practices and performance on key principles defined by Regulation 34(2)(f) of the Listing Regulations as amended from time to time, which cover topics across all ESG dimensions.

The Company's Business Responsibility and Sustainability Report (BRSR) is provided separately as part of the Annual Report.

43. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of the Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

44. Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the Corporate Governance requirements set out by SEBI.

The Report on Corporate Governance, as required under Regulation 34(3) read with Schedule V of the Listing Regulations, forms part of this Report. Further, as required under Regulation 17(8) of the Listing Regulations, a certificate from the Managing Director is attached to the Report on Corporate Governance.

A certificate from Mrs. Kalaivani S Practicing Company Secretary, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance as **Annexure VII**

45. Related Party Transactions

All contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. During the year under review, our Company has not entered into any contract/arrangement/ transactions with Related Parties which could be considered material in accordance with the Policy on Related Party Transactions. Further there were no materially significant related party transactions entered into by the Company with Promoters, Directors, KMP or other people which may have potential conflicts with the interests of the Company.

The particulars of contracts or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as **Annexure VIII** which forms part of this report. Details of Related Party Transactions as required under Indian Accounting Standard (Ind AS-24) are reported in Note no. 40 forming part of the Financial Statements.

Disclosure on Related Party Transactions, in compliance with the requirements of Listing Regulations and the applicable accounting standards, are made in the financial statements. Also, the Company has adopted the policy on Materiality and Dealing with Related Party Transactions which is available on the website of the Company at: https://www.stanleylifestyles.com/storage/Investor/August2024/69qlr-Policy%20on%20materiality.pdf.

46. Details of Frauds reported by Auditors

Pursuant to sub-section 12 of Section 143 of the Act, the Statutory Auditors of the Company have not reported any instances of fraud committed in the Company by its officers or employees.

47. Risk Management

The Risk Management Committee was constituted by the Board of Directors on August 31, 2023, in accordance with the Listing Regulations.

The details with respect to the composition, powers, roles, terms of reference, meetings held, and attendance of the members at such meetings of the Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Annual Report.

48. Technology Absorption, Conservation of Energy, Foreign Exchange Earnings and Outgo

Pursuant to provisions of Section 134(3)(m) & Rule 8(3)(A) of the Companies (Accounts) Rules, 2014 the details of energy conservation, technology absorption and foreign exchange earnings and outgo have been furnished in **Annexure IX** to this report.

49. Vigil Mechanism

The Company is committed to the highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Act. All Directors, employees and stakeholders can raise their concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

As per the Whistle Blower Policy implemented by the Company, the Employees, Directors, customers, dealers, vendors, suppliers, or any stakeholders associated with the Company are free to report illegal or unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Corporate Governance Policies or any improper activity, to the Chairman of the Audit Committee or to the Company Secretary and Compliance Officer or the Human Resource Department at investors@stanleylifestyles.com.

The policy provides for adequate safeguard against victimization. Any incidents reported are investigated and suitable actions are taken in line with the whistle blower policy. The Whistle Blower Policy is also available on our Company's website at: https://www.stanleylifestyles.com/storage/Investor/August2024/Kq2nt-Policy_Whistle%20Blower.pdf

50. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future

There were no material regulatory orders pertaining to the Company for the year under review, except as intimated to the Stock Exchanges from time to time.

The details of the same are available on the Company's website at, https://www.stanleylifestyles.com/investors/investors-information, websites of the stock exchanges, i.e BSE and NSE, at www.bseindia.com and www.nseindia.com.

51. Corporate Insolvency Resolution Process initiated under The Insolvency and Bankruptcy Code, 2016 (IBC)

There were no applications filed for corporate insolvency resolution process, by any financial or operational creditor of the Company or by the company itself, under the IBC before the NCLT.

52. Disclosure as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted the Prevention of Sexual Harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the period under review:

a. Number of complaints pending at the beginning of the year: NIL
b. Number of complaints received during the year: NIL
c. Number of complaints disposed off during the year: NIL
d. Number of cases pending at the end of the year: NIL

53. Compliance with the provisions relating to the Maternity Benefit Act 1961

The Company affirms its compliance with the applicable provisions of the Maternity Benefit Act, 1961.

54. No. of Employees

The details of employees of the Company as on 31 March 2026 are as under:

- Male: 113
- Female: 20
- Transgender: 0

55. Maintenance of Cost Records and Cost Audit

The Company confirms that maintenance of cost records and cost audit as specified by the Central Government under Section 148(1) of the Act, is not applicable to the Company and accordingly such accounts and records have been not been made and maintained.

56. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, if any.

There were no such instances requiring disclosures hereunder.

57. Events subsequent to the date of financial statements, if any.

The Company has undertaken a fast-track merger of its wholly-owned subsidiaries pursuant to Section 233 of the Companies Act, 2013. The Scheme has received approval from the Board and is presently subject to shareholder approval. The requisite disclosures have been made to the Stock Exchanges in accordance with Regulation 30 of the Listing Regulations.

58. Failure to implement any corporate action

There were no such events that took place during the year under consideration.

59. Acknowledgment

The Board takes this opportunity to express its sincere gratitude to the valued customers for their continued patronage and to the investors for reposing confidence in the Company. The Directors also place on record their deep appreciation for the continued support and cooperation extended by the vendors, employees, franchisees, distributors, Government and quasi-government authorities and other stakeholders whose commitment has enabled the Company to achieve sustained growth and progress.

For and on behalf of the Board of Directors

Date: 27.05.2026
Place: Bangalore

Sunil Suresh
DIN: 01421517
Executive Chairman

Annexure I

Form No. AOC-1

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures

(Pursuant to first provison to sub-section (3) of Section 129 of the Companies Act,2013, read with Rule 5 of the Companies (Accounts) Rules, 2014

Part A Subsidiaries

S.No	Name of Subsidiary	Reporting period for the subsidiary concerned	Reporting currency	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before tax	Provision for tax	Profit/ (Loss) after tax	Proposed Dividend	Extent of shareholding (in percentage)
1	Stanley Retail Limited (WOS)	2025-26	INR	69.46	1516.94	3637.68	2051.28	46.64	1726.68	-46.36	-12.02	-34.34	0	100%
2	Stanley OEM Sofas Limited (WOS)	2025-26	INR	37.60	160.74	316.98	118.64	15.28	796.66	51.21	13.12	38.09	0	100%
3	ABS Seating Private Limited (Subsidiary)	2025-26	INR	2.96	178.72	519.37	337.69	0	363.12	45.43	11.65	33.78	0	67%
4	Sana Lifestyles Limited (Step-down subsidiary)	2025-26	INR	2.56	90.52	336.4	243.32	16.05	156.78	-16.11	-1.53	-14.58	0	100%
5	Staras Seating Private Limited (Step-down subsidiary)	2025-26	INR	18.57	289.85	591.85	283.43	43.2	452.88	-7.7	-1.8	-5.9	0	100%
6	Shrasta Décor Private Limited (Step-down subsidiary)	2025-26	INR	98.9	84.06	403.96	221	36.67	354.72	24.31	9.92	14.39	0	100%
7	Scheek Home Interiors Limited (Step-down subsidiary)	2025-26	INR	0.5	-21.49	0.25	21.25	0	0	0.01	0	0.01	0	100%

Note:

1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been liquidated or sold during the year – Nil

Part B Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures) – NOT APPLICABLE

For and on behalf of the Board of Directors

SUNIL SURESH
Executive Chairman
DIN: 01421517

Place: Bengaluru
Date: 27.05.2026

Annexure II

Disclosure pursuant to Regulation 14 of SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021

AS ON MARCH 31, 2026

Significant changes/ modifications in the ESOP 2022 Plan during FY 2025-26

The Company established the Employee Stock Option Plan 2022 ("ESOP 2022"), which was originally approved by the members of the Company by way of Special Resolutions at the 15th Annual General Meeting held on 30th September 2022. The ESOP 2022 was subsequently modified by the members at the Extra-Ordinary General Meeting held on 31st August 2023. Following the listing of the Company's equity shares on BSE Limited and National Stock Exchange of India Limited on 28th June 2024, the ESOP 2022 was ratified by the members at the 17th Annual General Meeting held on 30th September 2024, in accordance with Regulation 12(1)(ii) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Further, the members at the 18th Annual General Meeting held on 26th September 2025 approved by way of Special Resolution the amendment to ESOP 2022 for increasing the ESOP pool from 19,30,506 options to 37,93,580 options.

Further, all the details as per this Annexure are disclosed on the company's website at: https://www.stanleylifestyles.com/investors/corporate-governance .

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regards from time to time. Refer Note No 48 of Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

C. Details related to ESOP

   i. A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including –

S.No	Particulars	
1	Date of shareholders' approval	30th September 2022 – The Employee Stock Option Plan 2022 ("ESOP 2022") was originally approved by the members by way of **Special Resolutions at the 15th Annual General Meeting** held on 30th September 2022. The Plan was subsequently modified by the members at the **Extra-Ordinary General Meeting held on 31st August 2023**.
2	Post-listing ratification of ESOP Scheme :	Subsequent to the listing of the Company's shares on BSE and NSE on 28th June 2024, ESOP 2022 was ratified by the members at the 17th Annual General Meeting held on 30th September 2024, to ensure compliance with Regulation 12(1)(ii) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
3	Total number of options approved under ESOP	37,93,580 options, pursuant to the amendment to ESOP 2022 approved by the members at the 18th Annual General Meeting held on 26th September 2025
4	Vesting requirements	Options granted under the Plan shall vest in full upon completion of five (5) years from the date of grant, subject to the terms and conditions set out in Clause 7 of the ESOP Plan, 2022. The vested options shall be exercisable for a period of six (6) years from the date of vesting.
5	Exercise price or pricing formula	The exercise price per Option shall be determined by the Committee which in any case shall not be less than the face value of the share of the Company as on date of grant.

S.No	Particulars	
6	Maximum term of options granted	The maximum number of Options that may be granted to each Eligible Employee shall vary depending upon the designation and appraisal/ assessment process and shall not exceed 2% of the aggregate number of issued and paid-up share capital of the Company per Eligible Employee, subject to the terms of the amended ESOP 2022.
7	Source of shares (primary, secondary or combination)	Primary
8	Variation in terms of options	There is a variation in the scheme for the increase of the ESOP pool from 19,30,506 to 37,93,580. All the eligible employees as per the Scheme are beneficiaries of this variation.

ii. Method used to account for ESOP - Intrinsic or fair value.

Refer Note No. 48 Notes to Accounts to the Standalone Financial Statements forming part of this Annual Report.

iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Not Applicable

iv. Option movement during the year under ESOP 2022 Plan:

Particulars	Bucket A	Bucket B	Bucket C	Bucket D	Leadership Grant
Number of options outstanding at the beginning of the period	1,28,486	18,182	1,29,852	2,892	0
Number of options granted during the year	0	0	0	0	12,51,020
Number of options forfeited / lapsed during the year	48,921	3,068	68,810	2,892	6,58,508
Number of options vested during the year	46,426	6,294	29,380	0	0
Number of options exercised during the year	865	428	17,212	0	0
Number of shares arising as a result of exercise of options	865	428	17,212	0	0
Money realized by exercise of options (INR), if scheme is implemented directly by the company	0	0	0	0	0
Loan repaid by the Trust during the year from exercise price received	0	0	0	0	0
Number of options outstanding at the end of the year	78,700	14,685	43,830	5,92,512	0
Number of options exercisable at the end of the year	45,795	6,294	12,168	0	0

v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock - NA

vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; NA

Details as of 31st March 2026

Name of Senior Management Personnel	Designation	Total No. of options granted	Exercise Price (₹)
Mr. Sharath Kumar Shetty	Executive Vice President – Operations	23,793	121
Mr. Sijo Martin Joy*	Chief Operating Officer	24,017	121

*Mr. Sijo Martin Joy resigned on 25.03.2026

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

Name of Senior Management Personnel	Designation	Total No. of options granted	Exercise Price (₹)
NIl			

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

Disclosures in respect of grants made in three years prior to IPO under each ESOS

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.

There were no options granted in three years prior to IPO, so no details are being furnished here.

(a) Details related to ESPS
Not Applicable
(b) Details related to SAR
Not Applicable
(c) Details related to GEBS / RBS
Not applicable
(d) Details related to Trust
Not Applicable

For and on behalf of the Board of Directors
SUNIL SURESH
Executive Chairman
DIN: 01421517

Place: Bengaluru
Date: 27.05.2026

Annexure III

Declaration by Independent Directors

DECLARATION FROM INDEPENDENT DIRECTORS ON AN ANNUAL BASIS

To
The Board of Directors
Stanley Lifestyles Limited
Dear Members of the Board,

We undertake to comply with the conditions laid down in Section 149(6), Code for independent directors of the Act and Regulation 16(1)(b) of the Listing Regulations.

a) We declare that up to the date of this certificate, apart from receiving sitting fees for attending Board and Committee Meetings, we did not have any material pecuniary relationship or transactions with the Company, its Promoters, its Directors, Senior Management or its Holding Company, its Subsidiary and Associates as named in the Annexure thereto which may affect our independence as Director on the Board of the Company. We further declare that we will not enter into any such relationship/transactions. However, if and when we intend to enter into such relationships/transactions, whether material or non-material, we shall seek prior approval of the Board. We agree that we shall cease to be an Independent Director from the date of entering into such a relationship/ transaction.

b) We declare that we are not related to Promoters or Persons occupying management positions at Board level or at one level below the Board and also have not been executive of the Company in the immediately preceding three Financial Years.

c) We are not, and have not been during the preceding three years, partners or executives of the statutory audit firm or the internal audit firm associated with the Company, or of any legal or consulting firm having a material association with the Company; nor have we been a material supplier, service provider, customer, lessor, or lessee of the Company where such relationship could affect the independence of the Director; nor have we been a substantial shareholder of the Company, i.e., holding two percent (2%) or more of the Company's voting shares.

Bengaluru
Date: 27.05.2026

Girish Shrikrishna Nadkarni
Independent Director
DIN: 00040971

R V Raghavan
Independent Director
DIN: 06886628

Anusha Shetty
Independent Director
DIN: 01666992

Annexure IV

Particulars of employees

(Pursuant to Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

3(a) Remuneration details of Directors and KMP

The median remuneration of employees of the Company in the last financial year i.e. 2024-25 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25 and 2025-26 along with increase in remuneration is provided in the table below:

Name Messrs	Director Identification Number (DIN)	Designation	% increase in remuneration of each Director/KMP in FY 25-2026 as compared to FY 24-2025	Ratio of remuneration to MRE* FY 2025-26	Ratio of remuneration to MRE* FY 2024-25
Sunil Suresh	01421517	Managing Director	NA	39.30	44.78
Shubha Sunil	01363687	Whole Time Director	NA	42.11	47.98
Pradeep Kumar Mishra**	NA	Chief Financial Officer	NA	8.81	47.98
Akash Shetty***	NA	Company Secretary and Compliance Officer	NA	1.07	5.19
J K Sharath****	NA	Chief Financial Officer	NA	NA	NA
Rasmi Ranjan Naik****	NA	Company Secretary and Compliance Officer	NA	NA	NA
Venkataramana Seshagirirao Gorti *****	08526382	Joint Managing Director	NA	NA	NA

*MRE – Median Remuneration of Employees

** Mr. Pradeep Kumar Mishra resigned with effect from 13th August 2025.

*** Mr. Akash Shetty resigned with effect from 19th June 2025.

**** Mr. J K Sharath and Mr. Rasmi Ranjan Naik were appointed on 13th August 2025.

***** Mr. Venkataramana Seshagirirao Gorti was appointed on 16th December 2025.

Notes:

1. The remuneration details in the above table pertain to Directors and KMP, as required under the Companies Act, 2013, and in accordance with the Nomination & Remuneration Policy of the Company.
2. Remuneration to KMP includes fixed pay, variable pay, retiral benefits, and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961. Accordingly, the value of stock incentives granted during the period is not included. Independent Directors are not entitled to any stock incentives.
3. The total number of permanent employees was 133 for FY 2025–26 and 294 for FY 2024–25.
4. The MRE was 40965.01 and 35,952.50 for FY 2025–26 and FY 2024–25, respectively.
5. The increase in MRE in 2025-26 as compared to FY 2024-25 is 13.94%.

3(b) Top 10 employees in terms of remuneration drawn during the year

Messrs	Designation	Nature of Employment (Contractual/ Full-time)	Age (in Years)	Educational Qualification	Experience (in Years)	Date of joining	Remuneration received in FY 2026 In lakhs	Previous employment and designation	Percentage of equity shares held
SHARATH KUMAR SHETTY B	Executive Vice President	Full Time	56	M.S Manufacturing Technology	7.4	3-Apr-19	69.95	Electromags (Division of Bombay Burma Trading Corporation) Plant Head	0.0051*
Baresh Kumar Prusty `	General Manager	Full Time	55	AMIE (Civil)	3.1	26-Jul-23	34.08	Hinshitsu Manufacturing Private Limited General Manager-Production	Nil
Diwan Singh	Deputy General Manager	Full Time	57	Bachelor Of Arts	7.1	1-Jul-19	28.74	Bee Luxe Pvt Limited Manager _ Leather Products	0.0012*
Jagadeesha Shetty	General Manager	Full Time	47	M.S.W and LLB	5.6	28-Dec-20	27.52	Satrac Engineering Private Limited Manager	0.0019*
Dinesh Chandra Shetty K	Deputy General Manager	Full Time	55	B.Com	22.6	10-Jan-04	25.49	Sri Hari Leather Exports Garments Private Limited Production Manager	0.0047*
Raghu Prasad	Manager	Full Time	37	Diploma in Chemical Engineering	1.8	24-Oct-2024	22.007	Polishman Woodcraft Manager _ Paint Shop	Nil
Srinjoy Chatterjee	Senior Manager	Full Time	36	MBA	4.1	1-Aug-22	21.89	Yamai Fashion Pvt Limited Leather Sourcing Head and QC Manager - Leather	Nil
Saurav Singhania	Manager	Full Time	26	CA	2.4	4-Apr-24	20.35	Zetwerk Manufacturing Business Private Limited Assistant Manager – Controllership	Nil
Sekar Marappa	Senior Manager	Full Time	42	B-Tech	2.1	18-Jul-24	19.79	Sterling Tools Limited Manager	Nil
Muthukumaran S	Manager	Full Time	37	Mechanical Engineering	2.9	6-Oct-23	19.09	Sri Ragavendra Furnitures Pvt Limited Quality Manager	Nil

*The aforesaid shares were allotted to such persons pursuant to the exercise of stock options granted under the Stanley Lifestyles Limited Employee Stock Option Scheme 2022, in accordance with applicable laws and regulations.

Note:

i. Whether any such employee is a relative of any director or manager of the company - Employees mentioned above are neither relatives of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii. “Total no. of permanent employees on rolls of the Company: 133”

iii. The average percentile increase already made in the salaries of employees other than the managerial personnel during FY 2025-26 was 11.41%. The managerial remuneration recorded an increase of 100%, which is attributable to the appointment of Mr. Venkataramana Seshagirirao Gorti as an Executive Director during the year. In the previous year, the position was held by Ms. Sonakshi Sunil as a Non-Executive Director, who was entitled only to sitting fees and not to remuneration. Accordingly, the increase is exceptional and arises from the change in designation and remuneration structure, and is therefore not comparable with the average employee increase.

Remuneration received by Managing Director /Whole Time Director from Holding or Subsidiary Company: NA

Details of aforementioned remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors
Sunil Suresh
DIN: 01421517
Executive Chairman

Date: 27.05.2026
Place: Bengaluru

Annexure V

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
STANLEY LIFESTYLES LIMITED

To
The Members
Stanley Lifestyles Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Stanley Lifestyles Limited (CIN: L19116KA2007PLC044090) (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2026 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Stanley Lifestyles Limited for the financial year ended on March 31, 2026 according to the provisions of:

i) The Companies Act, 2013 and the Rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA, 1956") and the Rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act, 1992"): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable to the Company during the Audit Period);

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI (LODR) Regulations, 2015);

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and

(k) Circulars/Guidelines issued there under.

vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.

vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/ Employee Related Laws & Rules:

- The Employees' State Insurance Act, 1948, along with its Rules and Regulations
- Factories Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, along with EPF Scheme 1952, EPS Scheme 1995, EFPS Scheme 1971 and EDLI Scheme 1976
- The Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation & Abolition) (Karnataka) Rules, 1974.
- The Minimum Wages Act, 1948, and Karnataka Minimum Wages Rules, 1958
- The Payment of Wages Act, 1936, read with The Karnataka Payment of Wages Rules, 1963
- The Payment of Gratuity Act, 1972 and Karnataka Payment of Gratuity Rules, 1973, and Karnataka Compulsory Gratuity Insurance Rules, 2024
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961, read with Karnataka Maternity Benefit Rules, 1966
- The Equal Remuneration Act, 1976, read with Equal Remuneration Rule, 1976
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and The Child Labour (R&P) (Karnataka) Rules, 1998.
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 read with The Employment Exchanges Rules, 1960
- The Karnataka Labour Welfare Fund Act, 1965 and Rules, 1968
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946, read with Rules of 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, read with Central Rules, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963, read with Rules of 1964
- Karnataka Workmen's Compensation Rules, 1966
- The Karnataka Public Safety (Measures) Enforcement Act, 2017, and Rules of 2018
- Karnataka Shops & Commercial Establishment Act, 1961 and Rules, 1963
- The Rights of Persons with Disabilities Act, 2016
- The Kannada Language Comprehensive Development Act, 2022
- The Digital Personal Data Protection Act, 2023, read with Digital Personal Data Protection Rules, 2025

(2) Environment Related Acts & Rules:

- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above and filings of the forms/returns were undertaken in time or within the extended time limits. Certain non-material findings made during the course of the audit were addressed suitably by the Management including strengthening of Secretarial Standards and delays in filing returns before the Ministry of Corporate Affairs. and/or SEBI except the following:

1) In accordance with Regulation 30 read with Clause 4 (h) of Schedule III of SEBI (LODR) Regulations, 2015, the listed entity shall intimate outcome of meeting of the Board of Directors held to consider financials within 30 minutes or 3 hours, as the case may be, from the time of conclusion of meeting. There was delay in submission of outcome and copy of financial results for the Quarter and year ended 31.03.2025 beyond 3 hours from the time of conclusion of meeting.

2) In accordance with Regulation 23 (9) of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges disclosures of related party transactions in the format as specified by SEBI from time to time. There was a delay of 1 day in submitting the details of related party transactions for the Quarter and year ended 31.03.2025.

3) In accordance with Regulation 32 of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges statement of deviations, if any, or variations and comments/report received from the Monitoring Agency within 45 days from the end of each quarter. Monitoring Agency Report along with the Statement of deviations or variations for the quarter ended 31.03.2025 was submitted on 26.05.2025 beyond the said period of 45 days from the end of quarter.

4) In accordance with Regulation 23 (9) of SEBI (LODR) Regulations, 2015, the listed entity shall submit to the Stock Exchanges disclosures of related party transactions in the format as specified by SEBI from time to time. There was a delay of 1 day in submission of the details of related party transactions for the Quarter and half year ended 30.09.2025. NSE and BSE respectively levied fine of Rs. 5000. The said fine were duly paid by the Company to both NSE and BSE within the due date.

5) In accordance with the provisions of Sections 179 and 186 of the Companies Act, 2013, there were investments made by the Company in Stanley Retail Limited, Wholly-owned Subsidiary (through rights issue). The same was duly noted by the Board post investment and Form MGT 14 in accordance with Section 179 (3) (e) was not filed.

6) Form INC-28 filed for a compounding order received by the Company on 19.02.2026, issued by the Regional Director, was filed with a delay, in accordance with the provisions of Section 441 (3) (b) of the Companies Act, 2013.

7) According to the report of the Statutory Auditors for the financial year ended 31 March 2026, the Company has used accounting software for maintaining its books of accounts where in the accounting software did not have the audit trail feature enabled throughout the year.

Based on the representation received from the management of the Company there were no notices/ communications/show-cause notices received by the Company from any Authorities during the year.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report and the Internal Audit Report provided by the Statutory/Internal Auditors as the case may be.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Vijayakrishna KT
Practising Company Secretary
CP: 980 FCS: 1788
UDIN: F001788H000507106
Peer Review Certificate No. 1883/2022

Place: Bengaluru
Date: 27.05.2026

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.
4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna KT
Practising Company Secretary
CP: 980 FCS: 1788
UDIN: F001788H000507106
Peer Review Certificate No. 1883/2022

Place: Bengaluru
Date: 27.05.2026

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Stanley Retail Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Stanley Retail Limited (CIN: U52599KA2008PLC046573) (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period for the Financial Year ended on March 31, 2026 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Stanley Retail Limited for the Financial Year ended on March 31, 2026 according to the provisions of:

i) The Companies Act, 2013 and the Rules made thereunder;

ii) There are no specific laws applicable to the Company pursuant to the business carried by the Company.The other general laws as may be applicable to the Company including the following:

(1) Employer/ Employee Related Laws & Rules:

- The Factories Act, 1948
- The Employees' State Insurance Act, 1948, along with its Rules and Regulations
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, along with EPF Scheme 1952, EPS Scheme 1995, EFPS Scheme 1971 and EDLI Scheme 1976
- The Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation & Abolition) (Karnataka) Rules, 1974.
- The Minimum Wages Act, 1948, and Karnataka Minimum Wages Rules, 1958
- The Payment of Wages Act, 1936, read with The Karnataka Payment of Wages Rules, 1963
- The Payment of Gratuity Act, 1972 and Karnataka Payment of Gratuity Rules, 1973, and Karnataka Compulsory Gratuity Insurance Rules, 2024
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961, read with Karnataka Maternity Benefit Rules, 1966
- The Equal Remuneration Act, 1976, read with Equal Remuneration Rules, 1976
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and The Child Labour (R&P) (Karnataka) Rules, 1998.
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 read with The Employment Exchanges Rules, 1960
- The Karnataka Labour Welfare Fund Act, 1965 and Rules, 1968
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946, read with Rules of 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, read with Central Rules, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963, read with Rules of 1964
- Karnataka Workmen's Compensation Rules, 1966
- The Karnataka Public Safety (Measures) Enforcement Act, 2017, and Rules of 2018
- Karnataka Shops & Commercial Establishment Act, 1961 and Rules, 1963
- The Rights of Persons with Disabilities Act, 2016
- The Kannada Language Comprehensive Development Act, 2022
- The Digital Personal Data Protection Act, 2023 read with Digital Personal Data Protection Rules, 2025

(2) Environment Related Acts & Rules:

- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Tran boundary Movement) Rules, 2008
- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Guidelines, Standards, etc. mentioned above. The Management has appropriately addressed certain non-material observations identified during the course of the audit in relation to the provisions of the Companies Act, Secretarial Standards, and Labour Laws except the following:

1. According to the report of the Statutory Auditors for the financial year ended 31 March 2026, the Company has used accounting software for maintaining its books of accounts wherein the accounting software did not have the audit trail feature enabled throughout the year.

2. In accordance with the provisions of Section 73 read with the Companies (Acceptance of Deposits) Rules, 2014, any amount received by the Company as an advance for supply of goods or provision of services accounted for in any manner whatsoever provided that such advance is appropriated against supply of goods or provision of services within a period of three hundred and sixty-five days from the date of acceptance of such advance. However, there are certain advances which are existing and pending for appropriation beyond the said period.

Based on the representation received from the management of the Company there were no notices/communications/show-cause notices received by the Company from any Authorities during the year.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/ Internal Auditor as the case may be.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, if applicable. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notices were given to all the Directors of the Company relating to the schedule of the Meetings of the Board except where consent of the Directors was received for scheduling the Meetings at a shorter notice. Agenda and detailed notes on agenda were also sent to all the Directors of the Company at least seven days in advance, except where consent of Directors was received for circulation of the Agenda and notes on Agenda at a shorter notice. The Company has a system for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions at the Meetings of the Board of Directors were carried out unanimously / by requisite majority, as recorded in the Minutes of the respective Meetings of the Board.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Vijayakrishna K T
Practising Company Secretary
M. No. FCS: 1788 CP No.: 980
Peer Review Certificate No. 1883/2022
UDIN: F001788H000501958

Date: 27.05.2026
Place: Bengaluru

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.

4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Practising Company Secretary
M. No. FCS: 1788 CP No.: 980
Peer Review Certificate No. 1883/2022
UDIN: F001788H000501958

Date: 27.05.2026
Place: Bengaluru

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Stanley OEM Sofas Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Stanley OEM Sofas Limited (CIN: U74900KA2015PLC084973) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period for the Financial Year ended on March 31, 2026 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Stanley OEM Sofas Limited for the Financial Year ended on March 31, 2026 according to the provisions of:

i) The Companies Act, 2013 and the Rules made thereunder;

ii) There are no specific laws applicable to the Company pursuant to the business carried by the Company. The other general laws as may be applicable to the Company including the following:

(1) Employer/ Employee Related Laws & Rules:

- Factories Act, 1948
- The Employees' State Insurance Act, 1948, along with its Rules and Regulations
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, along with EPF Scheme 1952, EPS Scheme 1995, EFPS Scheme 1971 and EDLI Scheme 1976
- The Contract Labour (Regulation and Abolition) Act, 1970, and Contract Labour (Regulation & Abolition) (Karnataka) Rules, 1974.
- The Minimum Wages Act, 1948, and Karnataka Minimum Wages Rules, 1958
- The Payment of Wages Act, 1936, read with The Karnataka Payment of Wages Rules, 1963
- The Payment of Gratuity Act, 1972 and Karnataka Payment of Gratuity Rules, 1973, and Karnataka Compulsory Gratuity Insurance Rules, 2024
- The Payment of Bonus Act, 1965
- The Maternity Benefit Act, 1961, read with Karnataka Maternity Benefit Rules, 1966
- The Equal Remuneration Act, 1976, read with Equal Remuneration Rule, 1976
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 and The Child Labour (R&P) (Karnataka) Rules, 1998.
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 read with The Employment Exchanges Rules, 1960
- The Karnataka Labour Welfare Fund Act, 1965 and Rules, 1968
- The Apprentices Act, 1961
- The Industrial Employment Standing Orders Act, 1946, read with Rules of 1961
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, read with Central Rules, 2013
- The Karnataka Industrial Establishments (National & Festival) Holidays Act, 1963, read with Rules of 1964
- Karnataka Workmen's Compensation Rules, 1966
- The Karnataka Public Safety (Measures) Enforcement Act, 2017, and Rules of 2018
- Karnataka Shops & Commercial Establishment Act, 1961 and Rules, 1963
- The Rights of Persons with Disabilities Act, 2016
- The Kannada Language Comprehensive Development Act, 2022
- The Digital Personal Data Protection Act, 2023 read with Digital Personal Data Protection Rules, 2025

(2) Environment Related Acts & Rules:

- The Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution) Act, 1974
- The Air (Prevention & Control of Pollution) Act, 1981
- Hazardous Wastes (Management, Handling and Tran boundary Movement) Rules, 2008
- The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Guidelines, Standards, etc. mentioned above. The Management has appropriately addressed certain non-material observations identified during the course of the audit in relation to the provisions of the Companies Act, Secretarial Standards, and Labour Laws except:

1. According to the report of the Statutory Auditors for the financial year ended 31 March 2026, the Company has used accounting software for maintaining its books of accounts where in the accounting software did not have the audit trail feature enabled throughout the year.
2. Form INC-28 filed for a compounding order received by the Company on 17.02.2026, issued by the Regional Director, was filed with a delay, in accordance with the provisions of Section 441 (3) (b) of the Companies Act, 2013.

Based on the representation received from the management of the Company there were no notices/communications/show-cause notices received by the Company from any Authorities during the year.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/ Internal Auditor as the case may be.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, if applicable. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notices were given to all the Directors of the Company relating to the schedule of the Meetings of the Board except where consent of the Directors was received for scheduling the Meetings at a shorter notice. Agenda and detailed notes on agenda were also sent to all the Directors of the Company at least seven days in advance, except where consent of Directors was received for circulation of the Agenda and notes on Agenda at a shorter notice. The Company has a system for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions at the Meetings of the Board of Directors were carried out unanimously / by requisite majority, as recorded in the Minutes of the respective Meetings of the Board.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Vijayakrishna K T
Practising Company Secretary
M. No. FCS: 1788 CP No.: 980
Peer Review Certificate No. 1883/2022
UDIN: F001788H000501971

Date: 27.05.2026
Place: Bengaluru

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

‘Annexure’

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Customs Act, Goods and Services Tax Act.

4. Wherever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc. as applicable from time to time.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Vijayakrishna K T
Practising Company Secretary
M. No. FCS: 1788 CP No.: 980
Peer Review Certificate No. 1883/2022
UDIN: F001788H000501971

Date: 27.05.2026
Place: Bengaluru

Annexure VI

Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy aims to contribute to sustainable development by supporting initiatives in areas such as education, skill development, healthcare, environmental sustainability, gender equality, preservation of heritage, rural development, and disaster relief. During FY 2025–26, the Company focused its CSR activities primarily on promoting education through school development projects. The CSR Policy is available on the Company's website at: www.stanleylifestyles.com

2. Composition of CSR Committee:

Name of Director Messrs	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Ramanujam Venkat Raghavan	Chairperson	1	1
Anusha Shetty	Member	1	1
Shubha Sunil	Member	1	1

3. The web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

https://www.stanleylifestyles.com/storage/Investor/August2024/M1jiH-Policy_Corporate%20Social%20Responsibility.pdf

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable.

(a) Average net profit of the company as per sub-section (5) of section 135:

FY	Net Profit as per section 198 (in INR million)
Ending 31st March, 2023	166
Ending 31st March, 2024	230
Ending 31st March, 2025	268
Average Net Profit	221

(b) Two percent of average net profit of the company as per sub-section (5) of section 135 :4.42 Million

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years :NIl

(d) Amount required to be set-off for the financial year, Nil

(e) Total CSR obligation for the financial year 4.42 Million

5. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** 4.42 Million

(b) Amount spent in Administrative overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: 4.42 Million

(e) CSR amount unspent for the Financial Year: Nil

(f) Excess amount for set-off, if any: Not Applicable

8. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: NA

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 27.05.2026

SUNIL SURESH
Executive Chairman
DIN: 01421517

Anusha Shetty
Chairperson of the CSR Committee
DIN: 01666992

Annexure VII

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Members of
STANLEY LIFESTYLES LIMITED

I have examined the compliance of the conditions of Corporate Governance by Stanley Lifestyles Limited for the Financial Year ended March 31, 2026, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Kalaivani S
Company Secretary
ACS: 57112 | CP: 22158
UDIN: A057112H000507309
Review Certificate No.: 2860/2022

Date: 27.05.2026
Place: Bengaluru

Annexure VIII

Form No. AOC-2

Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

S. No	Name(s) of the Related Party and Nature of Relationship	Nature of Contracts / Arrangements / Transactions	Duration	Salient Terms Including Value	Date(s) of Board Approval	Amount Paid as Advance (if any)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NA							

Details of material contracts or arrangement or transactions at arm's length basis : NA

Note:

There were no material contracts, arrangements, or transactions requiring disclosure under the Companies Act, 2013.

The Company has disclosed all related party transactions undertaken during the year. In respect of remuneration and perquisites of Key Managerial Personnel (other than Mr. Sunil Suresh and Mrs. Shubha Sunil), the respective Board/Shareholder approval dates of appointment have been considered as the date of approval for disclosure purposes.

For and on behalf of the Board of Directors

SUNIL SURESH
Executive Chairman
DIN: 01421517

Place: Bengaluru
Date: 27.05.2026

Annexure IX

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

(Pursuant to provision of Section 134 (3) (m) read with Rule 8 of Companies (Accounts) Rules, 2014)

(A) Conservation of energy

(All amounts in Millions, except as otherwise stated)

Steps taken/Impact on conservation of energy, with special reference to the following:	
i. Steps taken by the company for utilizing alternate sources of energy including waste generated	NIL
ii. Capital investment on energy conservation equipment	NIL

(B) Technology Absorption

i. Efforts, in brief, made towards technology absorption	NIL
ii. Benefits derived as a result of the above efforts, e.g., product Improvement, cost reduction, product development, import substitution, etc.	NIL
iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:	
a. Details of technology imported.	NIL
b. Year of import.	
c. Whether the technology been fully absorbed	
d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	
iv. Expenditure incurred on Research and Development	NIL

(C) Foreign exchange earnings and Outgo

	Amt in ₹
Total Foreign Exchange Earned	0
Total Foreign Exchange Outgo	84,18,17,678

For and on behalf of the Board of Directors
SUNIL SURESH
Executive Chairman
DIN: 01421517

Place: Bengaluru
Date: 27.05.2026

Management Discussion and Analysis

Economy Overview

Indian Economy

India maintained a strong growth trajectory during FY2025–26, with real GDP growth accelerating to 7.7%, compared with 7.1% in FY2024–25. Domestic consumption remained a key pillar of economic activity, with Private Final Consumption Expenditure growing 7.7%, supported by resilient household demand. The continued formalisation of economic activity, along with the impact of GST rationalisation, is supporting urban consumption and strengthening the shift towards organised and branded consumption. This provides a favourable backdrop for discretionary and lifestyle categories, where the preference for premium and organised offerings continues to strengthen.

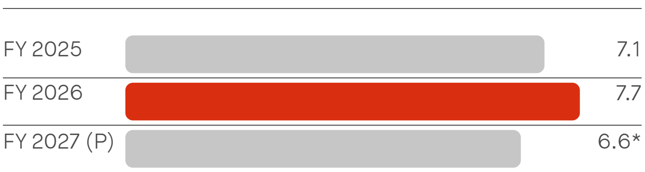
The manufacturing environment remained expansionary, with the Manufacturing PMI at 54.2 in June 2026, remaining above the neutral level of 50 despite some moderation in momentum. Investment in productive capacity also remained healthy, with machinery and equipment imports increasing 19.3% during FY2025–26, indicating continued technology adoption and capacity enhancement. However, elevated energy and commodity prices, higher freight and insurance costs and supply-chain disruptions continue to influence the cost environment, making sourcing efficiency and disciplined cost management important considerations for manufacturers.

Outlook

The economy remains favourable, with real GDP growth projected at 6.6%. The policy repo rate at 5.25%, together with a neutral monetary policy stance, provides a stable financial environment, while continued government capital expenditure and credit availability are expected to support economic activity. India's expanding integration with international markets through Free Trade Agreements can further broaden market access for domestic manufacturers and support participation in global value chains. With the broader policy environment remaining supportive, the domestic economy is positioned to sustain its growth momentum and provide a favourable operating landscape for organised premium consumer and lifestyle businesses.

India's GDP Growth

(in %)



P- Projected

Source: MoSPI Provisional Estimates FY2025-26, I RBI*

Industry Overview

Luxury Furniture Market

The India furniture market was valued at USD 30.6 billion in 2025 and is expected to reach USD 64.1 billion by 2032, registering a CAGR of 11.1% during FY2025–2032. Growth is being supported by rapid modernisation of the retail landscape, urbanisation and evolving consumer preferences. The market is witnessing a steady shift towards organised players, supported by increasing demand for contemporary, customised and design-led furniture. However, competitive intensity and pricing pressures remain key considerations for market participants.

Within the broader furniture market, the luxury and premium segment is witnessing increasing consumer preference for aesthetically differentiated, high-quality and customised furniture. Consumers are increasingly seeking branded offerings that combine contemporary design, superior craftsmanship, personalisation and consistent quality. The expansion of organised retail and premium residential developments is supporting greater acceptance of branded furniture, while demand from hospitality and other high-end spaces is broadening the scope of premium furniture offerings.

The market is also evolving towards more organised and experiential retail formats, with greater emphasis on design consultation, personalised solutions and customer experience. Digital and omnichannel channels are further improving accessibility to premium furniture across urban markets. In this environment, players are focusing on differentiated product portfolios, customised offerings, retail presence and brand positioning to strengthen their market position. The segment remains competitive, with domestic and international brands as well as specialised design-led players continuing to compete across product quality, design, pricing and customer experience.

Growth Drivers

Rising Premiumisation of Home Interiors

Consumers are increasingly allocating greater spending towards home aesthetics, comfort and lifestyle upgrades, supporting demand for higher-value and design-led furniture.

Higher Disposable Incomes and Aspirational Consumption

Growth in affluent and upper-middle-income households is expanding the addressable market for premium and luxury furniture, with consumers showing greater willingness to spend on differentiated home furnishings.

[1]https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-b7a7-57b81da60932_Press_Note_on_GDP_Estimates_for_Q4_2025-26_and_PE_FY_2025-26_F.pdf

[2]https://rbi.org.in/Scripts/BS_ViewBulletin.aspx

[3]https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=62863

[4]https://www.persistencemarketresearch.com/market-research/india-furniture-market.asp

Urbanisation and Premium Residential Development

Continued urbanisation and expansion of premium residential projects are increasing the addressable market for premium furniture, particularly across major metropolitan markets.

Formalisation and Brand-led Consumption

Increasing consumer preference for established brands offering quality assurance, professional service and consistent product standards is supporting the transition from fragmented, unorganised furniture purchases towards formal retail formats.

Shift Towards Integrated Home Solutions

Consumers are increasingly seeking coordinated furniture and interior solutions across multiple spaces, supporting demand for complete and cohesive home furnishing rather than individual, standalone products.

Company Overview

Established in 2007 as Stanley Seating, Stanley Lifestyles Limited has evolved into one of India's leading home-grown luxury and premium furniture brands, with over three decades of expertise across design, manufacturing and retail. The Company operates across the ultra-luxury, luxury and super-premium segments through its three retail formats, Stanley Level Next, Stanley Boutique and Sofas & More. Its product portfolio encompasses sofas and seating, beds and mattresses, case goods, kitchens, wardrobes and cabinetry, enabling the Company to address a wide range of premium and luxury home furnishing requirements.

The Company has progressively expanded its offering from premium furniture to complete home solutions, integrating product design, sourcing, manufacturing, quality control and retail under a unified platform. Its capabilities extend across both retail and B2B requirements, including furniture contract manufacturing and automotive applications. With a growing presence across key Indian markets and the commencement of its international journey through the opening of its first store in Sri Lanka in July 2026, Stanley Lifestyles continues to strengthen its position in the luxury and premium home furnishing segment.

30+ Years

Expertise across design, manufacturing and retail

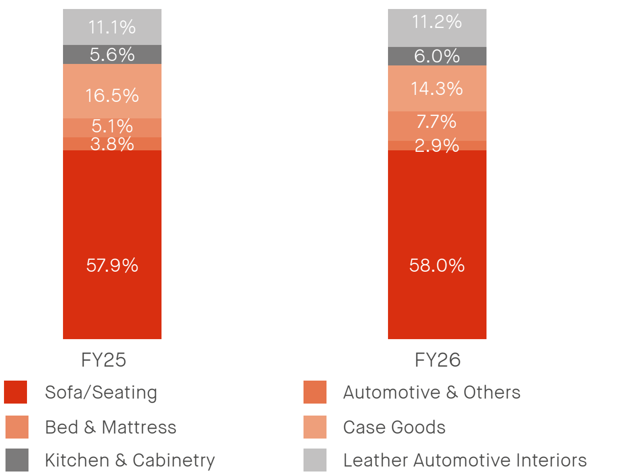
70 Stores

Company-owned and franchised network across 24 cities

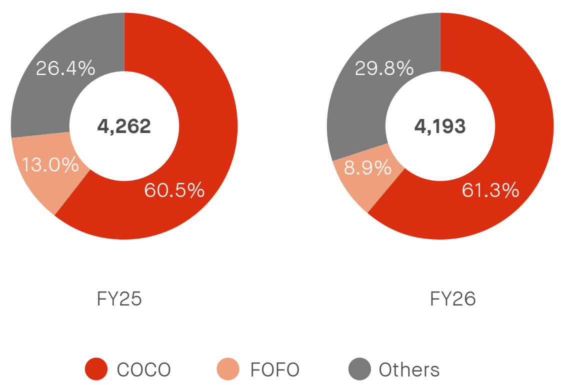
Segment-Wise Performance

During FY 2025-26, Sofa & Seating continued to anchor the Company's product portfolio, while Bed & Mattress and Kitchen & Cabinetry strengthened their contribution to the overall mix. The Company's store-format mix remained led by its company-owned network, reflecting its continued focus on strengthening direct customer engagement and control over the retail experience.

By Product Category



By Store Format



Manufacturing

The Company operates an integrated manufacturing platform in Bengaluru, Karnataka, comprising two facilities across Electronic City and Jigani. The facilities collectively span over 3 lakh sq. ft. and have an installed capacity of approximately 3.07 lakh units, supported by skilled workers. The manufacturing facilities cater to a diversified product portfolio comprising seating and beds, kitchen and cabinetry, case goods, mattresses and automotive products, enabling the Company to support both its retail portfolio and B2B requirements. The facilities are supported by quality, environment and safety certifications, including ISO 9001, ISO 14001, ISO 45001 and Greenguard, reflecting the Company's focus on product quality, operational standards and sustainable manufacturing practices.

Financial Performance

₹ in millions

Particulars	FY 2026	FY 2025	Y-o-Y (%) Change
Revenue from operations (in Rs. million)	4,193	4,262	(1.6)
Total income	4,421	4,434	(0.3)
EBITDA	754	818	(7.8)
EBITDA Margin (%)	18%	19%	(6.3)
Profit before tax	176	364	(51.7)
Profit after tax	130	292	(55.5)
Profit after tax margin (%)	3.1%	6.9%	(55.1)
Return on Net Worth (%)	2.8%	6.3%	(55.5%)

Key Financial Ratios

₹ in millions

	FY 2026	FY 2025	Y-o-Y (%) Change	Reasons of variance
Current Ratio	2.8	3.3	-15.15%	The increase in current liabilities exceeded the increase in current assets, resulting in a decrease in current ratio.
Debt equity ratio	0.6	0.4	50.00%	The increase in total debt, primarily on account of an increase in lease liabilities, has resulted in an increase in the debt-equity ratio.
Inventory turnover ratio	1.3	1.3	30.00%	The average inventory has remained constant throughout the year, resulting in no significant change in the inventory turnover ratio.
Trade Receivables Turnover Ratio	24.3	17.2	41.28%	The reduction in trade receivables has resulted in an increase in the trade receivables turnover ratio.
Trade Payables Turnover Ratio	4.1	4.4	-6.82%	No material change
Net Capital Turnover Ratio	1.8	1.8	-2.19%	No material change
Net Profit Ratio	3%	7%	-57.14%	The net profit for the current year has decreased, resulting in a decline in the net profit ratio.
Return on Capital Employed	3.2%	5.7%	-43.86%	The decrease in EBIT and increase in capital employed have resulted in a change in the ratio.

Risk Management

Type of Risk	Risk Description	Mitigation Strategy
Economic Risk	Fluctuations in economic conditions within the Company's operating environment may create economic risks and potentially impact its sustainable growth.	The Company continuously monitors economic and market conditions and adapts its business strategy accordingly. Its focus on selective market expansion, complete home solutions and localisation helps strengthen resilience amid changing business conditions.
Concentration Risk	Stanley Lifestyles' reliance on the sale of sofas and recliners exposes it to concentration risk, which could impact its operational and financial performance.	The Company has diversified its product portfolio across seating, bedrooms, dining, wardrobes, kitchens and cabinetry, while expanding its complete home solutions offering to address a broader range of customer requirements and increase wallet share.
Procurement Risk	Delays in the procurement of raw materials may result in procurement risks and potentially affect the timely delivery of products.	The Company focuses on premium sourcing of leather, wood and other materials, while increasing Indian sourcing of key raw materials, including leather, to strengthen supply chain resilience and improve cost efficiencies.
Regulatory Risk	Any changes in rules and regulations pose a regulatory risk to the Company, potentially affecting its operational efficiency.	The Company remains BIS compliant and is positioned to benefit from the implementation of the QCO. Its increasing localisation efforts and focus on quality and operational standards support compliance with the evolving regulatory environment.

Human resource

The Company considers its employees as its most valuable asset and remains committed to encouraging a skilled, motivated and engaged workforce. It continues to focus on building employee capabilities, strengthening operational effectiveness and maintaining a supportive work environment that encourages professional growth and employee well-being. The Company's growing retail footprint, manufacturing platform and expanding home solutions portfolio remain supported by its skilled workforce and in-house capabilities.

133

Total Number of Employees as on March 31, 2026

Internal control systems and their adequacy

The Company has established strong internal control systems to safeguard assets, prevent fraud, and ensure the accuracy of financial records. These systems support efficient business operations, compliance with policies, and the timely preparation of reliable financial reports. Regular reviews and updates are conducted, with any necessary adjustments made to align with company policies and industry standards. Senior management and auditors actively monitor the internal controls, ensuring continuous improvements. These controls strengthen governance, improve operational efficiency, and support the Company's long-term objectives

Cautionary statement

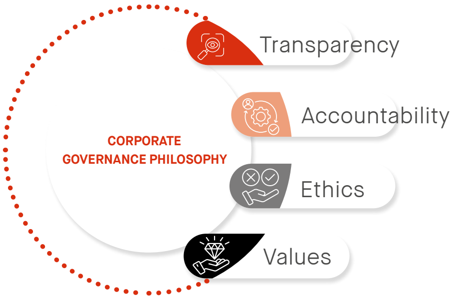
A few forward-looking comments regarding future prospects in the MD&A section contain both known and unknown risks and uncertainties that could materially affect actual outcomes. These statements, which are predicated on assumptions made using available data and may vary over time, represent the Company's current beliefs, objectives and goals as of the date they were made. Risks can also arise from unpredictable variables like shifting regulations and the state of the economy. In light of new information or anticipated developments, the Company is under no duty to update these statements. A number of variables, such as shifts in governmental policies and the state of the domestic and global economies, could affect the actual results.

Report on Corporate Governance

Report on Corporate Governance of STANLEY LIFESTYLES LIMITED (SLL/the Company) for the Financial Year ended March 31, 2026, pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) is set out below:

CORPORATE GOVERNANCE PHILOSOPHY

Effective corporate governance is the cornerstone of sustainable growth, long-term value creation, and the enduring success of any organization. At SLL, corporate governance is not merely a legal and regulatory obligation, it is an integral part of the Company's core philosophy and strategic management framework.



The Company's corporate governance philosophy is built on a foundation of transparency, accountability, ethical conduct and Stakeholder trust. These principles are deeply embedded in the decision-making processes and operational practices of the Company and are consistently upheld across all levels of the organization—from the Board of Directors and Senior Management to every employee.

The Company firmly believes that good governance is critical not only in achieving operational excellence and financial performance, but also for enhancing brand reputation, fostering stakeholder confidence, and sustaining long-term success. It views governance as a value-driven process guided by business ethics, legal compliance, and social responsibility.

In alignment with this belief, SLL has instituted a robust governance framework comprising comprehensive policies, standard operating procedures, codes of conduct, and oversight mechanisms. These systems are designed to guide the conduct of the Board, Committees, and Management in a manner that promotes fairness, transparency, and integrity in every aspect of business.

The Company remains fully committed to complying with the applicable provisions of the SEBI Listing Regulations, as amended from time to time, and other relevant laws. Beyond regulatory compliance, the Company proactively adopts progressive governance practices and voluntarily benchmarks its systems against global standards to continuously improve its governance framework.

The Company actively ensures:

- Timely and accurate disclosure of financial and operational performance.
- Equitable treatment of all shareholders and protection of their rights.
- Ethical conduct in business dealings and adherence to a well-defined Code of Conduct.
- Effective risk management, internal controls, and Board oversight; and
- Promotion of a culture of accountability, innovation, and continuous improvement.

The Company's corporate governance framework is further strengthened by its unwavering commitment to stakeholder inclusivity, environmental and social responsibility, and maintaining a culture of integrity and compliance. As a result, the Company not only meets the expectations of its stakeholders and regulatory bodies but consistently strives to exceed them.

In conclusion, the Company's governance philosophy reflects its enduring mission to operate with purpose, integrity, and responsibility ensuring that the Company remains resilient, respected, and future-ready in a dynamic and competitive business environment.

The Policies on the Company's website are as follows. The same are available at https://www.stanleylifestyles.com/investors/policies :

- Anti-Sexual Harassment Policy
- Archival Policy
- Policy to Promote Diversity on The Board of Directors
- Dividend Distribution Policy
- Policy for Familiarization Programmes for Independent Directors
- Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- Policy for Determination of Materiality
- Policy on Materiality of and Dealing with Related Party Transactions
- Policy on Preservation of Documents
- Policy on Succession Planning for the Board and Senior Management
- Code of Conduct of Board and SMP
- Corporate Social Responsibility
- Policy for Determining Material Subsidiaries

- Policy and Procedure for Enquiry in Case of Leak/ Suspected Leak of Unpublished Price Sensitive Information
- Policy for Evaluation of the Performance of the Board of Directors
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Nomination & Remuneration Policy
- Risk Management Policy
- Store Renovation Policy
- Whistle Blower Operating Guidelines
- Whistle Blower Policy
- Anti Bribery and Anti-corruption policy

This report highlights the Company's Governance practices for the Financial Year 2025-26.

I. BOARD OF DIRECTORS

The Board is at the core of our Corporate Governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

a. Composition of Board of Directors

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive Directors and Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 ('the Act') read with rules made thereunder and Regulation 17 of the SEBI Listing Regulations.

The Board of Directors comprised of 6 (Six) Directors as on the date of this Report. Details are given hereunder: -

Sl No.	Name of the Director Messrs	DIN	Designation	Category
1.	SUNIL SURESH	01421517	Executive Chairman	Promoter, Executive,
2.	SHUBHA SUNIL	01363687	Whole-time director	Promoter, Executive,
3.	VENKATARAMANA SESHAGIRIRAO GORTI*	08526382	Managing Director	Executive
4.	GIRISH SHRIKRISHNA NADKARNI	00040971	Director	Non-Executive, Independent
5.	RAMANUJAM VENKAT RAGHAVAN	06886628	Director	Non-Executive, Independent
6.	ANUSHA SHETTY	01666992	Director	Non-Executive, Independent

Further, during the year under review following changes took place in the composition of the Board:

(a) *Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was appointed by the Board as an Additional Director and Joint Managing Director with effect from December 16, 2025. Subsequently, his appointment as Director and Joint Managing Director for a five-year term was approved by the shareholders by way of a special resolution passed through Postal Ballot on March 10, 2026.

(b) Mrs. Sonakshi Sunil resigned from the Board with effect from December 16, 2025.

(c) Consequent to the re-designation of Mr. Venkataramana Seshagirirao Gorti as Managing Director, Mr. Sunil Suresh was re-designated from Chairman & Managing Director to Executive Chairman of the Company with effect from May 27, 2026.

The composition of the Board, during the year under review, was in conformity with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time.

The key decisions are taken after detailed deliberations by the Board, and it is ensured that the relevant information prescribed to be provided, under the Listing Regulations, is presented to the Board. The Board on a quarterly basis, reviews the compliance reports pertaining to the laws applicable to the Company.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the Listing Regulations, the Directors present necessary SEBI disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:

A) hold directorship in more than 20 (twenty) companies, including 10 (ten) public companies (of which not more than 7 (seven) are listed companies); and

B) hold membership of more than 10 (ten) and act as chairman/ chairperson of more than 5 (five) Committees (considering only Audit Committee and / or Stakeholders' Relationship Committee) across all public companies (listed or unlisted) in which they are Directors.

C) The Managing Director of the Company does not hold any independent directorship in any listed entity.

All the Independent Directors have confirmed that they meet the criteria of independence as stated under Regulations 16(1)(b) read with Regulation 25(8) of the Listing Regulations and Section 149(6) of the Act. The maximum tenure of the Independent Directors is in compliance with the SEBI provisions of the Act and the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfilled the criteria of independence as specified under the Act read with the relevant Rules and SEBI Listing Regulations and are independent of the management of the Company. The terms and conditions of appointment of Independent Directors are available on our website: https://www.stanleylifestyles.com/storage/Investor/August2024/5Fo3p-Terms%20and%20Conditions%20of%20Appointment%20of%20ID.pdf

Further, in terms of Regulation 26(5) of the SEBI Listing Regulations, the Senior Management has complied with the necessary disclosure requirements.

A detailed profile of our Directors is available on our website https://www.stanleylifestyles.com/investors/corporate-governance/board-of-directors

Disclosure of relationships between directors inter-se:

There are no inter-se relationships among the Directors except Mrs. Shubha Sunil, being the spouse of Mr. Sunil Suresh and Ms. Sonakshi Sunil, daughter of Mr. Sunil Suresh and Mrs. Shubha Sunil.

Mrs. Sonakshi Sunil resigned from the Board with effect from December 16, 2025.

b) Meetings and attendance

During the financial year ended on March 31, 2026, six (6) Board Meetings were held on 26 May 2025, 13 August 2025, 28 August 2025, 11 November 2025, 16 December 2025, and 12 February 2026. The Board met at least once in each calendar quarter and the gap between two consecutive meetings did not exceed 120 (one hundred and twenty) days. These meetings were attended by Directors, Key Managerial Personnel, and Invitees. Requisite quorum was present at all the Board meetings and leave of absence was granted to the Directors who requested the same. The Directors were provided with all relevant information and details required for taking informed decisions at the meetings.

The dates of meetings of the Board, attendance of the Directors thereat and last Annual General Meeting ("AGM") of the Company are as under:

Name Messrs	Designation	Board/Committee Memberships in other Companies			Director's Shareholding in number of shares/ convertible instruments, if any.	Attendance / No. of Board Meetings	AGM attendance held on September 26, 2025
		Directorships	Committee Memberships	Committee Chairmanship			
SUNIL SURESH	Executive Chairman	6	1	1	16,193,547	6/6	Yes
SHUBHA SUNIL	Whole-time director	6	1	-	16,193,533	6/6	Yes
VENKATARAMANA SESHAGIRIRAO GORTI*	Managing Director	-	-	-	-	2/2	Not Applicable
GIRISH SHRIKRISHNA NADKARNI	Non-Executive, Independent Director	2	1	-	-	6/6	Yes
RAMANUJAM VENKAT RAGHAVAN	Non-Executive, Independent Director	1	-	-	51,989	5/6	No
ANUSHA SHETTY	Non-Executive, Independent Director	6	-	-	-	6/6	Yes
SONAKSHI SUNIL**	Non-Executive Director	2				5/6	Yes

Committee positions include only the membership of Audit Committee and Stakeholder's Relationship Committee as per the SEBI Listing Regulations in Public Companies (listed or unlisted).

*Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was appointed by the Board as an Additional Director and Joint Managing Director with effect from December 16, 2025. Subsequently, his appointment as Director and Joint Managing Director for a five-year term was approved by the shareholders by way of a special resolution passed through Postal Ballot on March 10, 2026.

**Mrs. Sonakshi Sunil resigned from the Board with effect from December 16, 2025.

The last Annual General Meeting (being 18th AGM) was held on September 26, 2025.

C) Information placed before the Board

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statutes and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. Important operational matters are brought to the notice of the Board at its meetings and various departmental heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

D) Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / competencies identified by the Company in the context of its business and sector for effective functioning. The Directors of the Company collectively possess these skills and competencies, ensuring that the Board as a whole is well-equipped to oversee the Company's strategy, performance, and governance in alignment with its business objectives, as follows:

Name of the Director	Leadership Experience	Experience of crafting Business Strategies	Finance and Accounting Experience	Understanding of customer insights in diverse environment and conditions	Corporate Governance
Mr. SUNIL SURESH	✓	✓	✓	✓	✓
Mrs. SHUBHA SUNIL	✓	✓	✓	✓	✓
Mr. GIRISH SHRIKRISHNA NADKARNI	✓	✓	✓	✓	✓
Mr. RAMANUJAM VENKAT RAGHAVAN	✓	✓	✓	✓	✓
Ms. ANUSHA SHETTY	✓	✓	✓	✓	✓
Mrs. SONAKSHI SUNIL*	✓	✓	✓	✓	✓
Mr. VENKATARAMANA SESHAGIRIRAO GORTI**	✓	✓	✓	✓	✓

Notes: -

*Ms. Sonakshi Sunil (DIN: 09387990) tendered her resignation as a Non-Executive Director of the Company with effect from December 16, 2025.

**Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was appointed by the Board as an Additional Director and Joint Managing Director with effect from December 16, 2025. His appointment as Director and Joint Managing Director for a five-year term was subsequently approved by the shareholders via a postal ballot resolution passed on March 10, 2026.

e) Separate meeting of the Independent Directors

During the year under review, the Independent Directors met twice on November 11, 2025, and March 17, 2026, without the presence of Non-Independent Directors and Management representatives, inter-alia, to discuss the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

Familiarisation Programme for Independent Directors

In accordance with the provisions of the Act and Regulation 25(7) of the SEBI Listing Regulations, the Company has formulated a structured familiarisation programme for its Independent Directors, which also extends to other Non-Executive Directors. These programmes are designed to provide Directors with insights into the Company's business model, retail industry landscape, strategic priorities, governance framework, and their roles, responsibilities, rights, and duties. Conducted at the time of appointment and on a continual basis, familiarisation is imparted through induction sessions by the Managing Director, regular Board and Committee presentations, and direct interactions with senior management on key areas such as operations, financial performance, risk management, internal controls, regulatory changes, and competitive developments. These initiatives enable Independent Directors to remain well-informed and actively contribute to strategic discussions and decision-making. The weblink of policy on Familiarisation Programmes for Independent Directors are available at: https://www.stanleylifestyles.com/storage/Investor/August2024/qtERC-Familiarization%20of%20ID.pdf. Details of Familiarisation Programmes imparted to the Independent Directors in accordance with Regulation 46 of SEBI Listing Regulations is available at: https://www.stanleylifestyles.com/storage/Investor/July2026/Qcx48-Familiarization%20of%20ID%20Revised.pdf

f) Remuneration of the Directors

The Board of Directors, vide resolution dated August 22, 2023, approved the payment of sitting fees payable to Directors for attending the Board Meetings and Committees meetings of the Company in the following manner: -

Particulars	Amount (in Rs.)
For each meeting of the Board	75,000
For each meeting of the Audit Committee	50,000
For each meeting of the Nomination and Remuneration Committee	50,000

The details of remuneration paid to the Directors during the year under review are as follows: -

Name of the Director Messrs	Sitting fees (in Rs. Million)	Salary (in Rs. Million)	Profit sharing Commission (in Rs. Million)	Total (in Rs. Million)
SUNIL SURESH	-	20	-	20
SHUBHA SUNIL	-	21	-	21
VENKATARAMANA SESHAGI-RIRAO GORTI	-	13.5	-	13.5
GIRISH SHRIKRISHNA NADKARNI	0.950	-	-	0.950
RAMANUJAM VENKAT RAGHAVAN	0.575	-	-	0.575
ANUSHA SHETTY	0.650	-	-	0.650
SONAKSHI SUNIL	0.625	-	-	0.625

Notes: -

(a) Ms. Sonakshi Sunil resigned with effect from December 16, 2025.

(b) Mr. Venkataramana Seshagirirao Gorti (DIN: 08526382) was appointed by the Board as an Additional Director and Joint Managing Director with effect from December 16, 2025. His appointment as Director and Joint Managing Director for a five-year term was subsequently approved by the shareholders via a postal ballot resolution passed on March 10, 2026.

g) Number of shares held by Directors and Key Managerial Personnel

The number of shares and convertible instruments held by Directors and Key Managerial Personnel ('KMP') of the Company as on the date of this Report, are as under: -

Name of the Director	Designation	Number of equity shares	Number of convertible instruments
Mr. SUNIL SURESH	Executive Chairman	1,61,93,547	-
Mrs. SHUBHA SUNIL	Whole-time director	1,61,93,533	-
Mr. VENKATARAMANA SESHAGIRIRAO GORTI	Managing Director	-	-
Mr. GIRISH SHRIKRISHNA NADKARNI	Independent Director	-	-
Mr. RAMANUJAM VENKAT RAGHAVAN	Independent Director	51,989	-
Ms. ANUSHA SHETTY	Independent Director	-	-
Mrs. SONAKSHI SUNIL	Director	-	-

Name of the Key Managerial Personnel	Designation	Number of equity shares	Number of convertible instruments
Mr. PRADEEP KUMAR MISHRA	Chief Financial Officer	-	-
Mr. J K SHARATH	Chief Financial Officer	-	-
Mr. RASMI RANJAN NAIK	Company Secretary and Compliance Officer	-	-

Notes:

(a) Mr. Pradeep Kumar Mishra resigned as Chief Financial Officer (CFO) on August 13, 2025.

(b) Mr. J K Sharath was appointed as CFO on August 13, 2025, and resigned on March 31, 2026.

(c) Mr. Akash Shetty resigned as Company Secretary with effect from June 19, 2025 and resigned with effect from June 19, 2025.

(d) Mr. Rasmi Ranjan Naik was appointed as Company Secretary and Compliance Officer on August 13, 2025, and resigned with effect from April 8, 2026.

(e) Mr. Mukesh Sharma was appointed as Company Secretary and Compliance Officer with effect from April 8, 2026.

h) Code of Conduct

The Code of Business Conduct and Ethics (the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have confirmed compliance with the Code for the Financial Year ended March 31, 2026, in terms of Regulation 26(3) of the SEBI Listing Regulations and a declaration from the Chairman and Managing Director to that effect is given at the end of this report.

Details of the Code of Conduct for Board of Directors and Senior Management Personnel is available on the website of the Company i.e., https://www.stanleylifestyles.com/investors/policies

i) Reason for resignation of an Independent Director

During the year under review, there was no resignation of any of the Independent Directors.

II. Committees of the Board

The Committees of the Board play a pivotal role in the governance framework and the oversight of the Company's day-to-day operations. These Committees are constituted to focus on specific functional areas that warrant in-depth analysis and supervision. Each Committee comprises an appropriate mix of Executive, Non-Executive, and Independent Directors, as mandated by applicable laws, regulations, and statutory guidelines.

The Board is entrusted with the authority to constitute these Committees, define their scope, and determine their terms of reference in accordance with prevailing regulatory requirements. The Committees convene at regular intervals to discharge their responsibilities as delegated by the Board, ensuring effective execution and monitoring.

There exists an effective and transparent flow of information between the Committees and the Board. The Committees regularly apprise the Board of their observations, recommendations, and decisions, thereby enabling the Board to maintain strategic oversight.

The proceedings of each Committee meeting are recorded in the form of draft minutes, which are circulated to the respective Committee Members for review and confirmation. Upon confirmation, the minutes are duly signed by the Chairperson of the respective Committee.

The following statutory Committees have been constituted by the Board and were in force, during the year under review:

AUDIT COMMITTEE (AC)

In line with Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Act and Rules framed thereunder, your Company has constituted the AC. The Committee comprises of 3(three) Directors, out of which 2 (two) are Independent Directors. All Audit Committee members are financially literate. AC met 4 (Four) times, during the year under review i.e. **May 26, 2025; August 13, 2025; November 11, 2025 and February 12, 2026.**

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Audit Committee is as follows

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Girish Shrikrishna Nadkarni	Chairman	Independent Director	4/4
Ramanujam Venkat Raghavan	Member	Independent Director	4/4
Shubha Sunil	Member	Whole-time director	4/4

Member Chairman

The Executive Chairman, Managing Director and Chief Financial Officer are the permanent invitees to AC Meetings. The Company Secretary acts as Secretary to the Committee. The AC invites such other official(s) / executive(s), as it may consider appropriate to be present at the meeting(s). The representatives of the Internal Auditors and Statutory Auditors are also present at AC Meetings. The Chairman of the AC was present at the 18th Annual General Meeting of the Company held on September 26, 2025.

Terms of Reference of Audit Committee: -

Powers of Audit Committee-

The Audit Committee shall have powers, including the following:

- to seek information from any employee
- to obtain outside legal or other professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- such other powers as may be prescribed under the Act and Listing Regulations

Role of Audit Committee - The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- Recommendation for appointment, re-appointment, replacement, remuneration, and terms of appointment of auditors of the Company and the fixation of the audit fee.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Formulation of a policy on related party transactions, which shall include materiality of related party transactions.
- Following information shall be provided by the Company to the Audit Committee for approval by the Audit Committee for a proposed related party transaction:
  - Type, material terms, and particulars of the proposed transaction.
  - Name of the related party and its relationship with the listed entity or its subsidiary, including the nature of its concern or interest (financial or otherwise).
  - Tenure of the proposed transaction (particular tenure shall be specified).
  - Value of the proposed transaction.
  - The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).
- If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary:
  - Details of the source of funds in connection with the proposed transaction.
  - Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments: nature of indebtedness, cost of funds, and tenure.
  - Applicable terms, including covenants, tenure, interest rate, and repayment schedule, whether secured or unsecured; if secured, the nature of security.
  - The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- Reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.
- Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.

- Reviewing, with the management, the quarterly, half-yearly, and annual financial statements before submission to the Board for approval.
- 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.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.
- Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed. (Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(z)(c) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Act).
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of the 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.
- Discussion with internal auditors of any significant findings and follow up thereon.
- 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.
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern.
- Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees, and approval for payment for any other services.
- Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors.
- Reviewing the functioning of the whistle blower mechanism.
- Monitoring the end use of funds raised through public offers and related matters.
- Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used the vigil mechanism to report genuine concerns in appropriate and exceptional cases.
- Approval of appointment of Chief Financial Officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, etc. of the candidate.
- Reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- Consider and comment on rationale, cost-benefits, and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its shareholders.
- Such roles as may be prescribed under the Act, Listing Regulations, and other applicable provisions.

THOSE CHARGED WITH GOVERNANCE (TCWG COMMITTEE)

The Board at its meeting held on February 12, 2026 designated the Audit Committee of the Company as the TCWG in compliance of National Financial Reporting Authority (NFRA) Circular dated 7 January 2026 titled "Effective Communication between Statutory Auditors and Those Charged with Governance. TCWG met once during the year under review i.e. **March 17, 2026**. The composition and attendance for the meeting is as follows:

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Girish Shrikrishna Nadkarni		Independent Director	1/1
Ramanujam Venkat Raghavan		Independent Director	0/1

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Shubha Sunil	Member	Whole-time director	1/1

Member Chairman

Key Roles & Responsibilities of the TCWG Committee

TCWG was entrusted with such responsibilities in line with SA 260 (Revised), SA 265 and SA 260 to ensure compliance with the referred Circular and to achieve focused, effective and timely audit effectiveness, governance, transparency, checks and balances, structured mechanism oversight, reduction of information asymmetry, without diluting the ultimate responsibility of the Board of Directors.

NOMINATION & REMUNERATION COMMITTEE (NRC)

In accordance with Regulation 19 read with Part C of Schedule II of the SEBI Listing Regulations and Section 178 of the Act and Rules framed thereunder, your Company has constituted the NRC. The Committee comprises of 3 (three) Directors as Members, out of which 2 (two) are Independent Directors. NRC met 5 (Five) times, during the year under review i.e. **May 26, 2025; July 4, 2025; August 13, 2025; August 28, 2025; and December 16, 2025**.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the NRC is as follows:

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Anusha Shetty	Chairman	Independent Director	4/5
Girish Shrikrishna Nadkarni	Member	Independent Director	5/5
Sonakshi Sunil*	Member	Non-Executive director	5/5
Ramanujam Venkat Raghavan*	Member	Independent Director	NA

Member Chairman

Note:

(a) Ms. Sonakshi Sunil resigned from the Board of Directors with effect from December 16, 2025.

(b) Considering the resignation of Mrs. Sonakshi Sunil, the Board inducted Mr. Ramanujam Venkat Raghavan as a member of the NRC w.e.f. December 16, 2025 (Re-constitution).

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference of the Nomination and Remuneration Committee are as follows:

- The Nomination and Remuneration Committee shall be responsible for, among other things, the following:
- Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the board of directors of the 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 above policy, should ensure that:
- 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; and
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Formulation of criteria for evaluation of independent directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend their appointment to the Board and removal, and carrying out evaluation of every director's performance (including independent director).
- Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component.
- Analysing, monitoring, and reviewing various human resource and compensation matters.
- Deciding 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.
- Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary.
- Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, if applicable.

- Frame suitable policies, procedures, and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

- The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, the Company and its employees, as applicable.

- 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 based on 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 identifying suitable candidates, the Committee may:

- Use the services of an external agency, if required.

- Consider candidates from a wide range of backgrounds, having due regard to diversity; and

- Consider the time commitments of the candidates.

- Administering the employee stock option scheme/ plan approved by the Board and the shareholders of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any.

- Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending, and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.

- Perform such other activities as may be delegated by the Board or specified/provided under the Act and Listing Regulations to the extent notified and made effective, as amended by the Securities and Exchange Board of India or any other applicable law or regulatory authority from time to time.

Performance evaluation of the Board including the Independent Directors

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual directors was conducted during the year in compliance with provisions laid down under Regulation 25 of Securities and Exchange Board of India, Listing Regulations read with Schedule IV of the Act. The evaluation was carried out based on the criteria and framework approved by the Nomination and Remuneration Committee.

The process of performance evaluation is based on the evaluation forms, which include a rating mechanism. The criteria for annual performance evaluation of Independent Directors amongst others include their attendance and contribution at the meetings, devotion of time and effort to understand the Company, its business, their duties and responsibilities, impact and influence on the Board/ Committees and adherence to the Code of Conduct etc.

Based on the said evaluation forms, the Independent Directors in their meeting held on March 17, 2026 reviewed the performance of non-independent directors and the board of directors as a whole, reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors and assessed the quality, quantity and timeliness of flow of information between management and Board of Directors that is necessary for them to effectively and reasonably perform their duties. Subsequently, the Nomination and Remuneration Committee and Board took note of the same on the basis of evaluation forms received from all the Directors except the Director being evaluated.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

In line with Regulation 20 read with Part C of Schedule II of the SEBI Listing Regulations and Section 178 of the Act and Rules framed thereunder, your Company has constituted the SRC. The Committee comprises of 3 (three) Directors as Members, out of which 2 (two) are Independent Directors. SRC met once, during the year under review i.e. **November 11, 2025**.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Stakeholders' Relationship Committee is as follows:

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Girish Shrikrishna Nadkarni		Independent Director	1/1
Anusha Shetty		Independent Director	1/1
Sunil Suresh		Managing Director	1/1

Member Chairman

Terms of Reference of Stakeholders' Relationship Committee: -

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures or deposits from shareholders/ public deposits, including non-receipt of share or debenture certificates of deposit certificate and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

- Review of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or Listing Regulations, or by any other regulatory authority.

Details of Shareholder's/Investor's complaints during the year:

- No. of investor complaints pending at the beginning of the Financial Year: 0
- No. of investor complaints received during the Financial Year: 2
- No. of investor complaints disposed of during the Financial Year: 2
- No. of investor complaints remaining unresolved at the end of the Financial Year: 0

The Company has designated an e-mail id viz. investors@stanleylifestyles.com for redressal of shareholders' /investors' complaints / grievances.

RISK MANAGEMENT COMMITTEE (RMC)

In line with Regulation 21 read with Part C of Schedule II of the SEBI Listing Regulations, your Company has constituted the RMC. The Committee comprises of 2 (two) Directors and 1 (one) KMP as Members. RMC met 2 (Two) times, during the year under review i.e. **August 29, 2025; and November 11, 2025.**

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the Risk Management Committee is as follows:

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
Ramanujam Venkat Raghavan	Chairman	Independent Director	1/2
Shubha Sunil	Member	Whole Time Director	2/2
JK Sharath	Member	Chief Financial Officer	2/2
Pradeep Kumar Mishra	Member	Chief Financial Officer	NA

Member Chairman

Note

- Mr. Pradeep Kumar Mishra resigned as Chief Financial Officer on August 13, 2025.
- Mr. J K Sharath was appointed as Chief Financial Officer on August 13, 2025, and subsequently resigned on March 31, 2026.
- Accordingly, there was a re-constitution of the RMC on August 13, 2025.

Terms of Reference of Risk Management Committee:

- To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
- To implement and monitor policies and/or processes for ensuring cyber security;
- To frame, devise and monitor risk management plan and policy of the Company;
- To review and recommend potential risk involved in any new business plans and processes;
- To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- Monitor and review regular updates on business continuity;
- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- Performing such other activities as may be delegated by the Board or specified/provided under the Act or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In line with Section 135 of the Act and Rules framed thereunder, your Company has constituted the CSR Committee. The Committee comprises of 3 (three) Directors as Members, out of which 2 (two) are Independent Directors. CSR Committee met once, during the year under review i.e. **August 13, 2025**.

The current composition, details of the meetings held and attendance of members thereof along with the brief description of the terms of reference of the CSR Committee is as follows

Name of Member Messrs	Designation	Category	No. of Meetings Attended / Held
R V Ragavan		Independent Director	1/1
Anusha Shetty		Independent Director	1/1
Shubha Sunil		Whole Time Director	1/1

Member Chairman

Terms of Reference of Corporate Social Responsibility Committee:

- Formulate and recommend to the Board a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act , and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- Review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- 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
- Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act.
- Composition of the Board and Committees is available on the website of the Company at: https://www.stanleylifestyles.com/investors/corporate-governance/committees-of-the-board

III. SENIOR MANAGEMENT

The following personnel are the senior management of the Company.

Sl.no	Name of the Senior Management Personnel Messrs	Designation
1.	Sharath Kumar Shetty	Executive President – Group Manufacturing
2.	Sijo Martin Joy*	Chief Operating Officer of Stanley Retail Limited
3.	Sonakshi Sunil	Executive Director of SANA Lifestyles Limited

*Mr. Sijo Martin Joy resigned from his position as Chief Operating Officer of Stanley Retail Limited with effect from the close of business hours on March 25, 2026.

IV. DETAILS OF REMUNERATION PAID TO DIRECTORS

a. The annual remuneration package of Executive Directors comprises a fixed salary component which is as follows:

Sl.No	Particulars of Remuneration	Mr. Sunil Suresh	Ms. Shubha Sunil	Mr. Venkataramana Seshagirirao Gorti
1.	Designation	Executive Chairman	Whole-time Director	Managing Director
2.	Tenure / Service Contract	5 years	5 years	5 years
3.	Notice Period	60 days	60 days	60 days
4.	Gross Salary (In Millions)			
	a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	20 Million	21 Million	13.5 Million
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	Nil	Nil	Nil

Sl.No	Particulars of Remuneration	Mr. Sunil Suresh	Ms. Shubha Sunil	Mr. Venkataramana Seshagirirao Gorti
5.	Stock Option	Nil	Nil	0.57 Million
6.	Sweat Equity	Nil	Nil	Nil
7.	Commission	Nil	Nil	Nil
	- As % of profit			Nil
	- Others, If any			5 Million
8.	Others	Nil	Nil	Nil
9.	Total (in ₹)	20 Million	21 Million	19.07 Million

Payment to Non- Executive Directors

b. The remuneration of Non-Executive Directors is given in the Table below:

Name of Member Messrs	Sitting fees (in Rs. Million)	Independent Director fee (in Rs. Million)	Total (in Rs. Million)
Girish Shrikrishna Nadkarni	0.950	-	0.950
Ramanujam Venkat Raghavan	0.575	-	0.575
Anusha Shetty	0.650	-	0.650
Sonakshi Sunil*	0.625	NA	0.625

Note:

(a) *Mrs. Sonakshi Sunil resigned from the Board of Directors with effect from December 16, 2025. The sitting fees mentioned above reflect her attendance up to the date of her resignation.

(b) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity – The Company has no other pecuniary relationship or transactions other than those stated above.

(c) Criteria of making payments to non-executive directors

The Non-Executive Directors of the Company are compensated by way of sitting fees for attending meetings of the Board and its Committees, as approved by the Board in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. In addition, Non-Executive Directors may be paid commission, subject to approval of the shareholders and within the limits prescribed under the Act.

Independent Directors are not entitled to any stock options.

The remuneration structure is designed to appropriately reflect the time, effort and responsibilities undertaken by the Non-Executive Directors while ensuring compliance with applicable laws and maintaining transparency in governance.

Further, the Company also bears/reimburses expenses incurred by the Directors towards travel, accommodation and other expenses incurred during and for the purpose of attending Board/Committee meetings or in connection with Company-related activities. Apart from the above, no other payment was made by the Company to its Non-Executive Directors during the financial year.

V. GENERAL BODY MEETINGS

a. The details of the Annual General Meetings held in the last three years are as follows:

Financial Year	Location of the Meeting	Sl. No. Of Meeting	Date & Time
FY - 2024-25	Through Video conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility	18th AGM	26th September 2025, 4:00 PM
FY - 2023-24	In compliance with the applicable provisions of the Act and the Listing Regulations, read with the MCA Circulars and SEBI Circulars, the 17th AGM of the Company was convened as an e-AGM.	17th AGM	30th September 2024, 4:30 PM
FY - 2022-23	Registered office of the Company at SY No. 16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Karnataka-560100	16th AGM	26th September 2023, 4:00 PM

b. The details of Special Resolutions passed in AGM in the last 3 years are as follows:

Financial Year	AGM	Date	Particulars
FY - 2024-25	18th AGM	26th September 2025	i. To approve an increase in the ESOP Pool from 15,08,212 options to 37,93,580 options and amendment in 'Stanley Lifestyles Limited Employee Stock Option Plan-2022'.
FY - 2023-24	17th AGM	30th September 2024	i. Ratification of the 'Employee Stock Option Plan 2022' ii. Ratification of grant of employee stock options to the employees of group company(ies) including subsidiary company(ies) or associate company(s) under 'Employee Stock Option Plan 2022'
FY - 2022-23	16th AGM	26th September 2023	NIL

c. The details of Postal Ballot conducted during the year under review:

During the year under review, the Company passed a special resolution through postal ballot conducted via remote e-voting for the appointment of Mr. Venkataramana Seshagirirao Gorti as Joint Managing Director of the Company.

The voting summary is as follows:

- Total votes polled: 45,986,396 equity shares, representing 80.5004% of the total share capital.
- Votes in favor: 45,979,658 (99.9853% of votes polled).
- Votes against: 6,738 (0.0147% of votes polled).

Category-wise voting pattern:

- Promoter & Promoter Group: 100% votes polled through e-voting; 100% votes cast in favour.
- Public Institutions: 95.5849% votes polled through e-voting; 100% votes cast in favour.
- Public Non-Institutions: 8.9284% votes polled through e-voting; 99.3491% votes in favour and 0.6508% votes against.

The Board appointed **Mrs. Kalaivani S**, Practicing Company Secretary (Membership No. 57112 and COP No. 22158), as the Scrutinizer to conduct and oversee the postal ballot and remote e-voting process in a fair and transparent manner.

Based on the documents and records reviewed, only the special resolution relating to the appointment of the Joint Managing Director was conducted through postal ballot during the year under review.

No special resolution is proposed to be conducted through postal ballot in the materials made available, including the postal ballot notice, voting results, and related filings.

Procedure followed for conducting the postal ballot

The Company followed the procedure prescribed under the applicable provisions of the Act and Listing Regulations for conducting the postal ballot through remote e-voting. Detailed procedure for the same was provided in the respective Notice of Postal Ballot. The key steps were as follows:

- Postal Ballot Notice was issued to eligible shareholders and Friday, 30 January 2026 was fixed as the cut-off date for determining voting eligibility.
- Voting was conducted exclusively through remote electronic voting facilities provided by KFin Technologies Limited.
- The remote e-voting window remained open from 09:00 A.M. IST on Monday, 9 February 2026 until 05:00 P.M. IST on Tuesday, 10 March 2026.
- Shareholders holding shares in physical or dematerialized form as on the cut-off date were entitled to vote. Voting rights were exercised in proportion to the number of equity shares held.
- Detailed login and authentication instructions were provided for accessing the e-voting platform through NSDL/CDSL and KFin portals. Shareholders could log in using DP ID/Client ID, beneficiary ID, or folio number. Password recovery and helpdesk assistance were also provided.
- The Scrutinizer scrutinized all votes cast electronically and submitted her report to the Managing Director/authorized representative of the Company.
- The results were declared on or before 12 March 2026, and the resolution was deemed to have been passed on 10 March 2026, being the last date of remote e-voting.

- The voting results, together with the Scrutinizer's Report, were submitted to the stock exchanges and uploaded on the websites of the Company and KFin Technologies Limited.

VI. MEANS OF COMMUNICATION:

The quarterly and annual standalone and consolidated Financial Results of the Company are published in newspapers within 48 hours of the Board Meeting, generally "Financial Express" (English Daily) and "Vijay Karnataka" (Kannada Daily) and the same are also posted on the Company's website immediately.

At the end of each quarter, the Company arranges a conference call with the analysts in order to clarify their doubts and queries as regards quarterly financial performance. The transcript thereof is posted on the Company's website. Presentations made to institutional investors/analysts are also displayed on the Company's website.

Price-sensitive information, quarterly and annual Financial Results, Shareholding Pattern and matters that are material to shareholders are disclosed to the Stock Exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The same is also published on the Company's website. The Company interacts on a regular basis with stakeholders through announcements, investor meetings, investor calls, annual report, results, press releases, media interactions, interviews and the Company's website.

In line with the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company will be sending this year's Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company/ Depository. The Annual Reports of the Company are also available in the Investor Relations section of the Company's website at https://www.stanleylifestyles.com/investors/corporate-governance

Press Release and Official news release are duly intimated to the Stock Exchanges and also placed on the website at https://www.stanleylifestyles.com/investors/investors-information

VII. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	September 28, 2026
Financial Year	April 01, 2026 to March 31, 2026
Date of Book Closure/Record Date	As mentioned in AGM Notice
Dividend Payment date	The Board of Directors of your Company have not declared any dividend for the financial year 2025-26
Listing of Equity shares on stock exchange	1. National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 2. BSE Limited (BSE) P.J. Towers, Dalal Street, Mumbai – 400 001 The Annual Listing fees in respect of both the Stock Exchanges have been paid for the FY 2025-26.
Stock code (BSE)	544202
Scrip code (NSE)	STANLEY
ISIN Number (for Demat Trading)	INE01A001028
Depository Connectivity	NSDL & CDSL
Registrar and the share transfer agent	KFin Technologies Limited is the Registrar & Share Transfer Agent of the Company. Investors should address their correspondence to the Registrar & Share Transfer Agent of the Company at the address mentioned herein below KFin Technologies Limited Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032. Email : einward.ris@kfintech.com Website : https://www.kfintech.com
Share Transfer System & dematerialisation of shares and liquidity	The Shares of the Company are compulsorily traded on the Stock Exchanges in dematerialized mode. As on the date of this Report, 57,125,660 equity shares were held in dematerialized form and 3 equity shares were held in physical form. The dematerialized shares are transferred directly to the beneficiaries by the depositories.
Non-Convertible Debentures (NCDs)	NA
Details of the outstanding ADRS / GDRS / Warrants or convertible instruments	NA
Unclaimed Dividend and IEPF shares	NA

Commodity price risk or foreign exchange risk and hedging activities	NA
Company Secretary and Compliance Officer	Mr. Mukesh Sharma * (Appointed w.e.f. 8/4/2026)
Plant Location:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore - 560100 Karnataka – India
Address for Correspondence	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore - 560100 Karnataka – India
List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	The details of Credit ratings obtained by the entity, forms part of the Directors' report.

a) Market Price data

The details of monthly high, low (based on daily closing prices) and number of equity shares traded during each month in FY 2025-26 on NSE and BSE are given below:

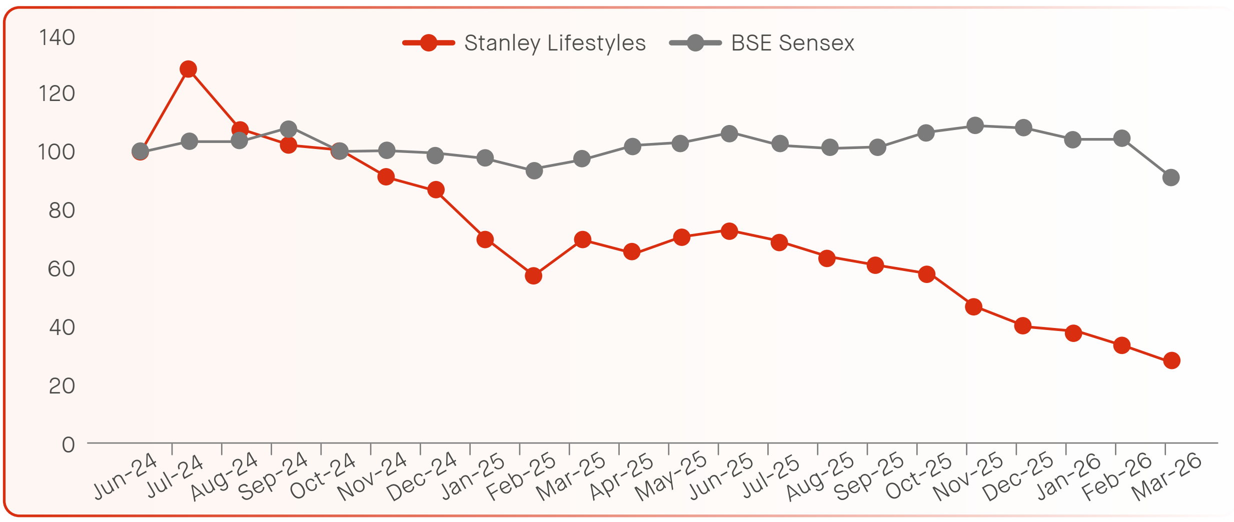
Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	No. of Shares Traded	High (in Rs.)	Low (in Rs.)	No. of Shares Traded
April 2025	350.00	272.75	1,33,921	344.55	295.00	9,16,001
May 2025	372.45	294.95	1,49,747	372.00	295.35	19,17,072
June 2025	377.45	331.05	1,17,170	377.50	330.60	10,02,255
July 2025	355.95	319.50	1,56,545	353.90	315.00	11,22,272
August 2025	336.00	297.05	87,337	339.35	297.25	6,62,941
September 2025	320.00	288.00	1,87,820	320.45	287.80	14,54,370
October 2025	311.70	275.00	63,447	304.00	275.20	8,00,500
November 2025	279.50	223.70	1,34,920	279.50	223.10	22,45,784
December 2025	243.20	188.15	1,45,420	244.59	188.10	30,71,323
January 2026	211.90	170.35	1,59,655	212.50	170.37	33,94,173
February 2026	213.40	161.00	4,25,915	213.60	161.01	1,13,81,116
March 2026	165.75	122.65	2,41,883	165.48	123.00	42,94,160

[**Source:** This information is compiled from the data available from the website of BSE & NSE]

Note: The Company was listed from June 2024.

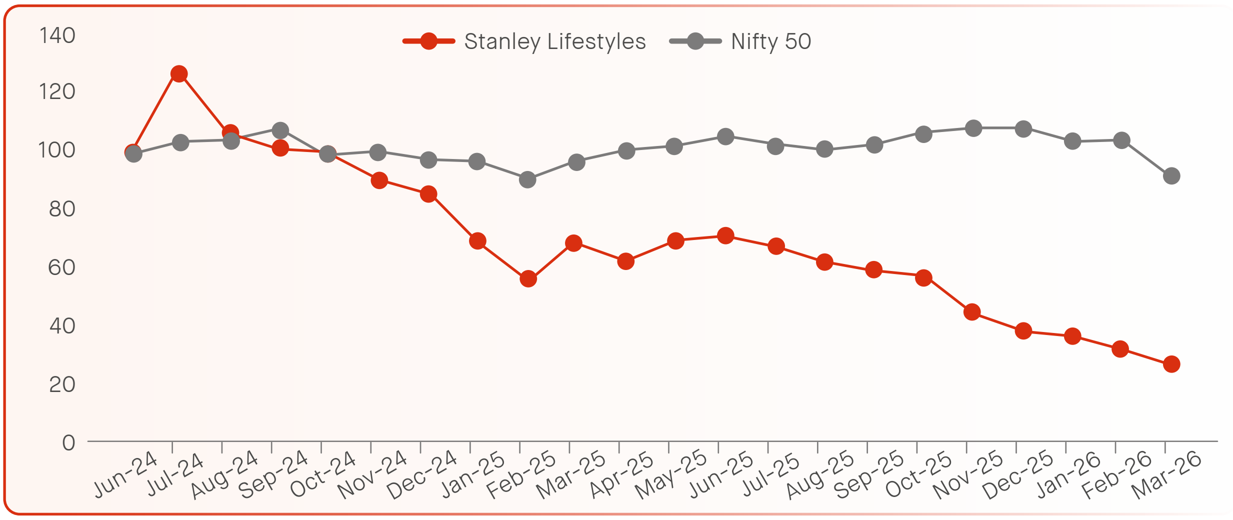
b) Share price performance of the Company in comparison to broad based indices:

Stanley Lifestyles vs S&P BSE Sensex Base 100 on 28 June 2024



Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex Base = 100 on Friday, 28th June 2024

Stanley Lifestyles vs Nifty 50 Base 100 on 28 June 2024



Average monthly closing price of the Company's shares on NSE as compared to NSE Nifty Base = 100 on Friday, 28th June 2024

c) Distribution of Shareholding

S.No	No. of Shares	No. of Shareholders	% of Total Shareholders	Share Amount (in Rs.)	% of Total Share Amount
1	1-5000	69934	99.4228	13508632	11.8236
2	5001- 10000	237	0.3369	1666834	1.4589
3	10001- 20000	85	0.1208	1234144	1.0802
4	20001- 30000	27	0.0384	690472	0.6043
5	30001- 40000	8	0.0114	297218	0.2601
6	40001- 50000	10	0.0142	458278	0.4011
7	50001- 100000	11	0.0156	803284	0.7031
8	100001& Above	28	0.0398	95592464	83.6686

d) Shareholding Pattern

Shareholding by category as on March 31, 2026

Category	No. of shareholders	No. of Shares held	% of Shareholding
Promoters	3	32,391,973	56.70%
Bodies Corporate	174	1,338,386	2.34%
Mutual Funds	5	8,592,012	15.04%
Non-Resident Indians	512	285,003	0.50%
Foreign Portfolio Investors (Corporate)	8	2,049,092	3.59%
Qualified Institutional Buyers (QIBs)	2	442,213	0.77%
HUF	1,478	312,972	0.55%
Resident Individuals /others	68,167	11,714,012	20.51%
Total	**70,349**	**57,125,663**	**100.00%**

e) Dematerialisation of shares and liquidity

The equity shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. The International Securities Identification Numbers (ISINs) of the Company is INE01A001028 obtained from National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2026, the issued, subscribed and paid-up equity share capital of the Company were held in physical and dematerialized form in the following manner: -

Name of the depository	No. of shareholders	No. of equity shares	% of holding
Physical	1	2	0.00%
National Securities Depository Limited	18,353	51,377,952	89.94%
Central Depository Services (India) Limited	52,857	5,747,709	10.06%
Total	**71,211**	**57,125,663**	**100.00%**

f) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2026.

g) Fees paid to Statutory Auditors

During the year under review, following fees were paid to the Statutory Auditors of the Company: -

Particulars	Financial Year 2025-26 (in INR Million)
Statutory audit fee	6
Limited review report	2
Other	0
Total	**8**

h) Address and contact details for correspondence

Mr. Sudhir Iyer

Chief Financial Officer

Stanley Lifestyles Limited

SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore - 560100 Karnataka – India

Email id – compliance@stanleylifetsyles.com

Website- www.stanleylifestyles.com

VIII. OTHER DISCLOSURES

a. Related Party Transactions, Conflict of Interest & Material Subsidiaries

All transactions entered with Related Parties as defined under the Act and Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There was no materially significant related party transaction having potential conflict with the interests of the Company during the year. Transactions with related parties, as per the requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements.

In terms of Regulation 23 of Listing Regulations and the Company has obtained prior approval of the Audit Committee for entering into transactions with related parties. The approved policy for related party transactions has been uploaded on the Company's website at https://www.stanleylifestyles. com/pdf/policy/Policy%20on%20materiality.pdf

b. Details of non-compliance on matters relating to Capital Market

Equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited w.e.f. 28th June, 2024. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. During the last three (3) years, there were no penalties or structures imposed on the Company by the Stock Exchange(s), SEBI and/ or any other statutory authorities for non-compliance of any matters relating to capital markets.

c. Prevention of Insider Trading

In accordance with the SEBI PIT Regulations, the Company has a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure"). The Board has also formulated A Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI PIT Regulations. The Code for Prevention of Insider Trading and Code of Fair Disclosure is available on the Company's website at https://www.stanleylifestyles.com/storage/Investor/August2024/VXslz-Insider%20Trading.pdf

d. Compliance with Mandatory Requirements and Adoption of the Non-mandatory Requirements

The Company confirms that it has complied with all mandatory requirements prescribed in the SEBI Listing Regulations. The Company has adopted the non-mandatory requirements as applicable and feasible.

e. Details of Material Unlisted Subsidiaries

As defined in Regulation 16(1) (c) of the SEBI Listing Regulations, details of material subsidiaries, during the financial year 2025-26, are given below:

Name	Date of incorporation	Place of incorporation	Name of Statutory Auditors	Date of Appointment of Statutory Auditors
Stanley Retail Limited	26/05/2008	India	Deloitte Haskins & Sells LLP	30/09/2024
Stanley OEM Sofas Limited	30/12/2015	India	Deloitte Haskins & Sells LLP	27/09/2024

The Board periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies. Copies of the Minutes of the Board Meetings of the unlisted subsidiary companies were placed, as applicable, at the Board Meetings of the Company held during the Financial Year.

The Company has framed the Policy for determining material subsidiary and the same is disclosed on the Company's website at https://www.stanleylifestyles.com/investors/policies

f. Disclosure of commodity price risks and commodity hedging activities

The Company does not deal in commodities and hence disclosure with regard to commodity price risks and commodity hedging activities was not applicable to the Company, for the year under review.

g. Proceeds from preferential allotment or qualified institutional placement

The Company has not raised any amount from preferential allotment or qualified institutional placement, etc., during the year under review.

h. Code of Conduct

The Company is committed to compliance with all laws and regulations that apply to it, with the spirit and intent of high business ethics, honesty and integrity. In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, from time to time ("the SEBI PIT Regulations"), the Board has formulated its own code termed as 'Stanley Lifestyles Limited's Insider Trading Code' and 'Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI)', for regulating, monitoring and reporting trading by Designated Persons and their immediate relatives.

The Company reviews and updates these codes, from time to time to bring them in line with the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further to ensure compliance the SEBI Regulations and the aforesaid codes.

i. Compliance Report on Corporate Governance

The Company submits on quarterly basis a compliance report on corporate governance in the format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/ observations/advice, if any.

The Company is in compliance with the Corporate Governance requirements specified under Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 of SEBI Listing Regulations.

j. Disclosure of Accounting Treatment

The Financial Statements of the Company comply with the Accounting Standards referred to in the Act.

k. MD Certificate

As required under Regulation 17(8) of the SEBI Listing Regulations, the Managing Director (MD) of the Company have furnished to the Board, a certificate regarding the Financial Statements for the year ended March 31, 2026, which is annexed to this Report as Annexure I.

l. Certificate of Non-Disqualification of Directors

Mrs. Kalaivani S, Practicing Company Secretary, has issued a certificate pursuant to the provisions of the SEBI Listing Regulations, certifying that as on March 31, 2026, none of the directors of the Company have been debarred or disqualified from being appointed/ re-appointed or continuing as directors of the Company, by the Securities and Exchange Board of India / The Ministry of Corporate Affairs. The said certificate is annexed to this Report as Annexure II.

m. Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III as per Securities and Exchange Board of India, Listing Regulations

n. There are no shares in the demat suspense account/ unclaimed suspense account. Hence, disclosures in this connection will not arise.

o. No personnel have been denied access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and whistle blowers are protected from unfair termination and other unfair or prejudicial employment practices.

Annexure I

MD CERTIFICATION

I, Venkataramana Seshagirirao Gorti, Managing Director, on behalf of the Board of Directors of the Company, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended March 31, 2026.

2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. The financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.

4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's Audit Committee of the Board of Directors.

5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and the Company:

   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.

   b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).

   c. Evaluated the effectiveness of internal controls for financial reporting and the effectiveness of internal control systems pertaining to financial reporting of the Company are evaluated.

   d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent financial year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

6. I have disclosed, based on my most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board (and persons performing the equivalent functions):

   a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

   b. Any significant changes in internal controls during the year covered by this report.

   c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.

   d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system over financial reporting.

Venkataramana Seshagirirao Gorti
Managing Director
DIN: 08526382

Date: 27.05.2026
Place: Bengaluru

DECLARATION ON CODE OF CONDUCT

(Pursuant to Part D of Schedule V of the Listing Regulations

I, Venkataramana Seshagirirao Gorti, Managing Director, hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial year 2025-26.

Venkataramana Seshagirirao Gorti
Managing Director
DIN: 08526382

Date: 27.05.2026
Place: Bengaluru

Annexure II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Stanley Lifestyles Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Stanley Lifestyles Limited** having **CIN: L19116KA2007PLC044090** and having Registered Office at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore – 560100 Karnataka, India, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

S No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sunil Suresh	01421517	16/08/2018
2.	Ms. Shubha Sunil	01363687	11/10/2007
3.	Mr. Girish Shrikrishna Nadkarni	00040971	07/04/2022
4.	Mr. Venkataramana Seshagirirao Gorti	08526382	16/12/2025
5.	Ms. Anusha Shetty	01666992	22/08/2023
6.	Mr. Ramanujam Venkat Raghavan	06886628	22/08/2023

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 27.05.2026

Kalaivani S
Company Secretary
ACS: 57112 CP:22158
UDIN: A057112H000507375
Peer Review Certificate No.: 2860/2022

Annexure III

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To
The Members
Stanley Lifestyles Limited

I, Vijayakrishna K T, Practising Company Secretary, have verified the relevant records and documents of Stanley Lifestyles Limited, with CIN: L19116KA2007PLC044090 and having its Registered Office at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore – 560100 Karnataka, India. This Certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as “the Regulations”), for the Financial Year ended March 31, 2026.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the scheme including designing, maintaining records and devising proper systems and effective internal controls to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented Stanley Lifestyles Limited ESOP Scheme 2022 (hereinafter referred to as the ‘Scheme’ in accordance with the Regulations and the Special Resolutions passed by the Members of the Company.

For the purpose of verifying the compliances of the Regulations, I have examined the following documents:

1. ESOP Scheme of the Company;
2. The Articles of Association of the Company;
3. Minutes of the Meetings of the Board of Directors;
4. Minutes of the General Meeting held for approving the Schemes;
5. Minutes of the Meetings of the Nomination and Remuneration Committee;
6. Detailed Terms and conditions of the Schemes as approved by Nomination and Remuneration Committee;
7. Bank Statements towards Application money received under the Schemes;
8. Statement filed with recognized Stock Exchanges in accordance with Regulation 10 of these Regulations;
9. Disclosure by the Board of Directors; and
10. Relevant provisions of the Rules and Regulations under the Companies Act, 2013 and the applicable provisions there under.

Certification:

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the Scheme in accordance with the applicable provisions of the Regulations and the resolution passed by the Members of the Company in the General Meeting.

Assumptions & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give certificate based upon the examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Place: Bangalore
Date: 27.05.2026

Vijayakrishna K T
Practicing Company Secretary
FCS: 1788 CP: 980

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L19116KA2007PLC044090
2.	Name of the Listed Entity:	STANLEY LIFESTYLES LIMITED
3.	Year of incorporation:	2007
4.	Registered office address:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore-560100, Karnataka, India
5.	Corporate address:	SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore-560100, Karnataka, India
6.	E-mail:	compliance@stanleylifestyles.com
7.	Phone:	8147915014
8.	Website:	www.stanleylifestyles.com
9.	Financial year for which reporting is being done:	2025-26
10.	Name of the Stock Exchange(s) where shares are listed:	National Stock Exchange of India Limited, BSE Limited
11.	Paid-up Capital:	Rs. 11,42,51,326/-
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report:	Mr. Sunil Suresh, 8147915014
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	Standalone
14.	Name of Assurance provider	Not Applicable
15.	Type of Assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
	Furniture, other home furnishing related products and OEM	The Company manufactures, imports and sells furniture, other home furnishing related products and OEM	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Furniture, other home furnishing related products and OEM	3100	100%

II. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	0

Note:

The Company commenced operations through its first international store in Sri Lanka on 4 July 2026, subsequent to the reporting period ended 31 March 2026. Accordingly, the same has not been considered in the above disclosure for FY 2025-26.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.68%

c. A brief on types of customers

The customers of the company are like – Corporates, Ultra High Net Worth Individuals, High Net Worth Individuals.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	133	113	84.96	20	15.04
2.	Other than Permanent (E)	0	0	0		0
3.	**Total employee (D + E)**	**133**	**113**	**84.96**	**20**	**15.04**
	WORKERS					
4.	Permanent (F)	130	96	73.85	34	26.15
5.	Other than Permanent (G)	456	392	85.96	64	14.04
6.	**Total workers (F + G)**	**586**	**488**	**83.28**	**98**	**40.19**

b. Differently abled Employees and workers: NIL

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D+E)**	**-**	**-**	**-**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F+G)**	**-**	**-**	**-**	**-**	**-**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.33%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers

	FY 2024-25 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.67%	18.18%	12.68%	3.33%	1.59%	3.09%	3.61%	0.00%	3.15%
Permanent Workers	8.96%	5.71%	8.12%	1.54%	0.00%	1.20%	1.25%	0.25%	1.06%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Stanley Retail Ltd	Subsidiary (WOS)	100%	Yes
2	Stanley OEM Sofas Ltd	Subsidiary (WOS)	100%	Yes
3	Staras Seating Pvt Ltd	Step Down Subsidiary	100%	Yes
4	Sana Lifestyles Ltd	Step Down Subsidiary	100%	Yes
5	Shrasta Decor Pvt Ltd	Step Down Subsidiary	100%	Yes
6	Scheek Home Interiors Limited	Step Down Subsidiary	100%	No
7	ABS Seating Private Limited	Subsidiary	67%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) YES

(ii) Turnover (in Rs.) 1,986 millions

(iii) Net worth (in Rs.) 4,180 millions

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities		0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		02	0	-	61	0	-
Employees and workers		0	0	-	0	0	-
Customers		0	0	-	0	0	-
Value Chain Partners		0	0	-	0	0	-
Other		0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy conservation	Risk & Opportunity	Rising energy costs and climate mandates pose a risk of higher operational costs; however, energy-efficient practices can lower expenses and carbon footprint.	Implement energy-efficient systems, renewable energy adoption, periodic energy audits.	**Positive:** Cost savings and potential green incentives. **Negative:** Initial capex investments.
2	Supply Chain Management	Risk & Opportunity	Risks include disruptions and ESG non-compliance. Opportunities arise from building a resilient, ethical supply chain that enhances brand trust.	Vendor ESG audits, supplier diversification, digital supply chain tracking.	**Negative:** Disruption costs if unaddressed. **Positive:** Risk reduction and improved stakeholder confidence.
3	Sustainable Products	Opportunity	Increasing consumer and regulatory demand for sustainable offerings opens up new markets and competitive differentiation.	R&D investments in sustainable materials and processes, eco-labelling, product innovation.	**Positive:** New revenue streams, brand loyalty, competitive edge.
4	Health & Safety	Risk & Opportunity	Poor safety poses legal and moral risks. Strong health & safety culture improves employee retention and productivity.	Safety training, PPE provision, third-party audits, incident reporting systems.	**Positive:** Reduced accidents, improved morale and productivity. **Negative:** Legal liabilities if not managed.
5	Empowering Workforce	Opportunity	Empowered employees lead to innovation, higher retention, and better decision-making, creating long-term value.	Leadership programs, upskilling, D&I initiatives, employee engagement frameworks.	**Positive:** Enhanced innovation, reduced attrition, better employer branding.
6	Regulatory & Legal Compliances	Risk	Risk of non-compliance exposes the Company to legal penalties and financial losses resulting from failure to comply with the industry laws and regulations. Failure to adhere to the laws would directly affect the Company's revenue, valuations and could lead to loss of reputation and business opportunities. Compliance gives assurance and provides a broader insight to the investors.	The company has a code of conduct and an insider trading policy in place. There are internal audit systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively. The Company strives to ensure compliance with the various Corporate Governance Requirements under the Securities and Exchange Board of India.	**Negative:** Non-compliance would lead to loss of reputation and consequently affect the business activities Companies who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among employees and other stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.stanleylifestyles.com/investors/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company complies with all the National Guidelines on Responsible Business Conduct principles.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has set clear ESG commitments tailored to its operations as a furniture manufacturer, focusing on areas such as energy conservation, nature-positive sourcing, workplace safety, inclusion, and sustainable supply chains. Specific goals include reducing energy consumption per unit of production, achieving zero workplace fatalities, improving gender diversity, and reducing freshwater usage through recycling and rainwater harvesting. The Company is also committed to ethical governance, transparency, and ensuring that a majority of its key suppliers comply with ESG standards. Progress against these targets is monitored continuously to ensure accountability and long-term impact.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Board has entrusted the Management with oversight of ESG target implementation. The Company regularly reviews progress, with positive developments in areas like energy efficiency and responsible sourcing.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

   As the Director, I am responsible for the Business Responsibility Report, I am pleased to share that our Company continues to integrate ESG principles across our operations. In the past year, we have made strong progress in sustainable sourcing, energy efficiency, and workplace safety. However, challenges such as raw material availability and evolving regulatory requirements remain. We remain committed to our targets—sourcing 100% certified wood, reducing energy use per unit, and building an inclusive, safe workplace—while continuously improving our processes to meet our sustainability goals.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sunil Suresh Executive Chairman DIN: 01421517
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Board had constituted Risk Management Committee and the senior management team are responsible for integration of sustainability into the business operations. **Board Composition:** Mr. Sunil Suresh, Executive Chairman DIN: 01421517 Mrs. Shubha Sunil, Whole Time Director, DIN: 01363687 Mr. Venkataramana Seshagirirao Gorti, Managing Director, DIN: 08526382

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Mr. Girish Shrikrishna Nadkarni, Independent Director, DIN: 00040971 Mr. Ramanujam Venkat Raghavan, Independent Director, DIN: 06886628 Mrs. Anusha Shetty, Independent Director, DIN: 01666992 **Composition of the Risk Management Committee:** Mr. Ramanujam Venkat Raghavan, Chairperson, DIN: 06886628, Mrs. Shubha Sunil, Member, DIN: 01363687 Mr. Venkataramana Seshagirirao Gorti, Member, DIN: 08526382 *Mr. J K Sharath, Member **Mr. Venkataramana Seshagirirao Gorti, Member, DIN: 08526382								

Note : *.

* Mr. J K Sharath was dropped from the committee w.e.f 08th April 2026. .

**Mr. Venkataramana Seshagirirao Gorti included in the committee w.e.f. 08th April 2026.

10. Details of Review of NGRBCs by the Company:

Subject of Review:	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Since Board reviewed the policies periodically therefore, external agency was not appointed.

a.	The entity does not consider the principles material to its business (Yes/No)	Replied as above
b.	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Replied as above
c.	The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Replied as above
d.	It is planned to be done in the next financial year (Yes/No)	Replied as above
e.	Any other reason (please specify)	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

At **Stanley Lifestyles Limited**, we are committed to conducting our business with integrity, transparency, and accountability. We adhere to all applicable laws and regulations, ensuring that our operations uphold the highest ethical standards.

Our **Code of Conduct**, applicable to our Directors and Senior Management Personnel, serves as a guiding framework for ethical decision-making. Additionally, our Business Responsibility and Sustainability Policy provides clear principles to identify and address ethical concerns, establishes mechanisms to report unethical behaviour, and fosters a culture of trust and accountability.

We actively promote ethical business conduct across our operations and value chains by conducting regular training programs for our employees and value chain partners. These initiatives reinforce our commitment to integrity, ensuring that ethical considerations remain central to our corporate culture and decision-making processes.

Essential Indicators

Segment	Total Number of Training and Awareness programs held	Topics / Principles covered under the trainings and its impact	%age of Persons in respective category covered by the awareness program
Board of Directors	2	1) Corporate Governance 2) Companies Act & SEBI Listing Requirements 3) Environmental & Safety matters	100%
KMP	2	1) Corporate Governance 2) Companies Act & SEBI Listing Requirements 3) Environmental & Safety matters	100%
Employees other than Board and KMP	4	1) Fire Drill Safety measures and product training 2) Health and Wellness Webinars 3) Consumer Engagement and Value Training 4) Ethical policies training	100%
Workers	4	1) Fire Drill Safety measures and product Training 2) First Aid Training to the Employees	100%

1. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

As disclosed in the Financial Statements/Auditors' Report

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement	NIL				
Compounding Fee	NIL				

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL		
Punishment				

2. **Of the instances disclosed in Question 1 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

3. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

At Stanley Lifestyles Limited, we uphold the highest standards of integrity and ethical business practices. To reinforce this commitment, we have adopted a comprehensive Anti-Bribery and Anti-Corruption Policy that applies to all employees, directors, associates, and third parties acting on behalf of the company.

The policy is designed to prevent and prohibit bribery, corruption, and related unethical practices across all levels of the organization. Employees are strictly prohibited from offering, promising, or providing anything of value to government officials, individuals, or entities to unduly influence their actions or secure business advantages. Similarly, accepting gifts, favours, or entertainment that may compromise business judgment is strictly prohibited.

All stakeholders share the responsibility of ensuring compliance with this policy. Violations may lead to severe consequences, including civil or criminal liability, fines, and legal prosecution. To facilitate transparency, the company provides a designated reporting channel for individuals to report any suspected violations without fear of retaliation.

The policy is periodically reviewed and updated to align with evolving legal and regulatory requirements. The web link to the Anti-Bribery and Anti-Corruption Policy is provided below:

https://www.stanleylifestyles.com/storage/Investor/August2024/Kq2nt-Policy_Whistle%20Blower.pdf

4. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26 (Current Financial year)	FY 2024-25 (Previous Financial year)
Directors	NIL	
KMPs		
Employees		
Workers		

5. **Details of complaints with regard to conflict of interest:**

	Current Financial year FY 2025-26		Previous Financial year FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

6. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

NIL

7. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payable	78.46	45.38

8. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs	a. Purchases (Purchases with related parties / Total Purchases)	1.16%	4.80%
	b. Sales (Sales to related parties / Total Sales)	71.45%	72.20%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	96.54%	100%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total Number of awareness programmes held	Topics/principles covered under the training	% age of Persons in respective category covered by the awareness programme
Nil. Not Conducted awareness programme for value chain partners		

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, Stanley Lifestyles Limited has established processes to identify, manage, and mitigate conflicts of interest involving members of the Board. Each Director is required to disclose their interests in the Company, other businesses, corporate bodies, firms, or associations of individuals, including any changes in such interests or shareholding, on an annual basis or as and when changes occur.

Additionally, Directors must sign an annual declaration under the Code of Conduct, affirming their commitment to act in the best interests of the Company. They are also required to ensure that their personal or professional engagements do not result in conflicts with the Company's business operations or their respective responsibilities.

Moreover, Senior Management members provide an annual certification confirming that they have not engaged in any significant financial or business transactions that could potentially create a conflict of interest. These mechanisms reinforce the Company's commitment to transparency, accountability, and ethical governance.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

At Stanley Lifestyles Limited, we have seamlessly integrated safety and sustainability principles into our operations and products across their entire lifecycle. This approach spans from the procurement of raw materials and product design to manufacturing and final delivery to our customers.

We are committed to ensuring the safe and efficient use of resources throughout the product lifecycle, including optimizing resource utilization and recycling wherever feasible. Our emphasis on Research & Development (R&D) enables us to continually enhance our processes, ensuring the production of resource-efficient and environmentally sustainable products.

Additionally, we maintain a rigorous supplier assessment process as part of our vendor registration to promote and ensure sustainable sourcing practices. These initiatives reflect our commitment to responsible business conduct, prioritizing both environmental and customer safety.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R & D	The Company's research and development efforts focus on enhancing operational efficiency and promoting sustainable practices. The Company has implemented energy-efficient systems within its facilities and adopted effective water management practices. The Company continues to assess the environmental and social impacts of its technological advancements and innovations. During FY 2025-26, no specific CAPEX expenditure was incurred towards environmental safety or technologies aimed at improving the environmental and social impacts of products and processes.		
Capex			

2.	a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	The Company consistently invests in expanding and upgrading its supply chain network to achieve sustainable business growth. Our supplier selection process prioritizes Labour Standards, Health & Safety, Environmental Assessments, and Business Ethics. By integrating these comprehensive criteria, we aim to establish a robust and sustainable supply chain. We implemented our Vendor Code of Conduct, which provides a framework for ethical and responsible business practices among our value chain partners. Our strategy also includes initiatives to enhance operational efficiency, optimize sourcing locations, make informed fabric selections, streamline our supplier network, ensure social compliance, and leverage technology to oversee production and quality milestones
	b. If yes, what percentage of inputs were sourced sustainably?	The Company consistently invests in expanding and upgrading its supply chain network to achieve sustainable business growth. Our supplier selection process prioritizes Labour Standards, Health & Safety, Environmental Assessments, and Business Ethics. By integrating these comprehensive criteria, we aim to establish a robust and sustainable supply chain. We implemented our Vendor Code of Conduct, which provides a framework for ethical and responsible business practices among our value chain partners. Our strategy also includes initiatives to enhance operational efficiency, optimize sourcing locations, make informed fabric selections, streamline our supplier network, ensure social compliance, and leverage technology to oversee production and quality milestones

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

a. Plastics (including packaging)	Not Applicable
b. E-waste	Disposed of through authorized e-waste recyclers in line with environmental regulations.
c. Hazardous waste and other waste	Segregated and handed over to authorized recyclers for safe disposal, preventing environmental harm.
d. Other waste	-

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

Yes. To address environmental concerns and promote responsible waste management, the Company is registered on the EPR portal of Central Pollution Control Board (CPCB).

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No such assessments have been conducted in the Financial Year 2025-26.					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
All waste is collected and sold to authorized recyclers for proper disposal or recycling and is disposed off through authorized e-waste recyclers in line with environmental regulations.		

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.**

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	Paint container- 0.740 MT	-	-	2.610 MT
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	Used oil – 200 ltrs	-	-	Used oil- 260 Ltrs
Other waste	-	-	Wood- 356.32 MT Foam – 13.24 MT Leather- 38.43 MT Carton waste- 40.36 MT	-	-	Wood- 339.43 MT Foam – 17.62 MT Leather- 34.21 MT Carton waste- 41.70 MT

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

We prioritize the well-being, professional growth, and safety of our employees. We ensure a safe, inclusive, and growth-oriented workplace through regular training, career development, and compliance with health and safety standards.

We strictly prohibit child labour, forced labour, and discrimination, aligning our policies with ethical employment practices. Our commitment extends to our value chain partners, ensuring they uphold responsible and ethical labour standards.

By fostering a fair, supportive, and empowering work environment, we aim to build a harmonious and socially responsible workplace for all.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	113	113	100 %	113	100%	0	0	113	100%	113	100%
Female	18	18	100 %	18	100%	18	100%	0	0	18	100%
Total	**131**	**131**	**100%**	**131**	**100%**	**16**	**100%**	**113**	**100%**	**131**	**100%**
Other than Permanent employees											
Male	0	0	100%		100%	NA	NA	0	100%	0	100%
Female	0	0	100%		100%	0	100%	NA	NA	0	
Total											

* Measures for the well-being of Other than Permanent employees are taken care by the Contractors and ensured by the Principal Employer

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	92	88	97%	92	100%	0	0	0	0	73	100%
Female	34	12	35%	34	100%	34	100%	0	0	5	100%
Total	**126**	**100**	**79%**	**126**	**100%**	**34**		**0**	**0**	**78**	**100%**
Other than Permanent workers											
Male	392	157	41%	392	100%	0	0	0	0	392	100%
Female	64	4	6%	64	100%	64	100%	0	0	64	100%
Total	**456**	**161**	**47%**	**456**	**100%**	**0**	**0**		**0**	**456**	**100%**

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97% 129/133 1 apprentice and 2 directors As on 31st March 2026	100% 130/130 total workers	Y	97.35% 147/151 2 apprentice and 2 directors As on 31st March 2025	100% 143 total workers	Y
Gratuity	100% 133/133	100% 130/130	Y	19.21% 29/151	62.25% 89/143	Y
ESI	2.61% 5/133	40.56% 40/130	Y	2.61% 4/151	40.56% 58/143	Y
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, most of the Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Equal Opportunity Policy for Persons with Disabilities (PwD) is adopted by the Company. The policy aims to provide fair and impartial opportunities for persons with disabilities in the recruitment process and create a barrier-free working environment. It seeks to protect and safeguard the rights and interests of persons with disabilities, eliminate unlawful discrimination, and promote inclusion and respect.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	Nil	Nil
Female	1	100%	0	0
Total	**01**	**100%**	**0**	**0**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes. Staff welfare committee, sexual harassment committee, complaint box, whistle blower policy and mechanisms present
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Not Applicable

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NIL					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	115	98	213	0	0	128	112	87	0	0
Female	17	15	32	0	0	22	20	90	0	0
Total	**132**	**113**	**245**	**0**	**0**	**150**	**132**	**88**	**0**	**0**
Workers										
Male	98	85	183	0	0	107	98	91	0	0
Female	32	28	60	0	0	37	32	86	0	0
Total	**130**	**113**	**243**	**0**	**0**	**144**	**130**	**90**	**0**	**0**

Note :

The company is in process of improving the coverage and frequency of the trainings. However, these critical aspects are addressed during the employee onboarding process and are incorporated into the Company's HR policy. The company remains dedicated to promoting the continuous development of its employees' skills.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	42	25	59	58	39	67
Female	5	5	100	5	5	100
Total	**47**	**30**	**63**	**63**	**44**	**69**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

10. Health and safety management system:

(a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

YES

Given the nature of the furniture manufacturing and retail business, the Company recognizes the potential occupational health and safety risks associated with both manufacturing operations and logistics activities. Accordingly, the Company has implemented an occupational health and safety management system that aims to comply with all applicable health and safety regulations and industry standards.

The Company has adopted a comprehensive Environment, Energy, Occupational Health and Safety Policy that focuses on legislative compliance, license and certification requirements, and proactive safety measures for all employees. This system covers our manufacturing facilities, warehouses, and retail stores.

Key initiatives include safety training programs, accident and incident reporting procedures, periodic safety audits, proper use of personal protective equipment (PPE), and housekeeping protocols to maintain safe and hazard-free workspaces. Fire safety measures, including extinguishers and emergency exits, are in place across offices, retail stores, manufacturing units, and warehouses. Regular drills and equipment maintenance are carried out to ensure readiness and employee awareness.

(b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company identifies and assesses work-related hazards through regular internal audits, periodic external safety audits, inspections, and employee feedback across its manufacturing units, warehouses, and stores. For non-routine activities such as equipment maintenance or new installations, pre-task risk assessments are conducted. An incident and near-miss reporting mechanism is in place, followed by root cause analysis to implement corrective actions. Risk assessments are also integrated into change management processes to ensure proactive identification and mitigation of hazards.

(c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has established formal channels for workers to report work-related hazards, including direct reporting to supervisors, designated safety officers, and internal grievance mechanisms. Employees are encouraged to immediately report unsafe conditions or practices without fear of retaliation. Workers also have the right to stop or refuse work if they believe it poses an imminent risk to their health or safety, and such concerns are promptly investigated and addressed by the safety team.

(d) Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company provides a systematic way to ensure a safe and healthy workplace for all employees. It promotes continuous identification and monitoring of hazards and controlling risks whilst making sure that the risk controls in place are effective. The Health & Safety Policy is applicable across all locations, serves as a comprehensive statement addressing essential work-related issues. The Health & Safety Manual provides a robust framework for creating a safe and healthy workplace. Safety Induction & Trainings: The Company provides a Health & Safety induction to all new employees which is incorporated in their general induction training. Mock Drills: Mock Drills are conducted at specified intervals in the Company. These drills involve all employees, security team and visitors/customers who are within the premise.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

NA

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y): Group Medical Insurance and ESI

(B) Workers (Y): Group Medical Insurance and ESI

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company periodically reviews vendor statutory compliance through reconciliation, confirmation and review of relevant statutory filings, where applicable.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.** NIL

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Stakeholders encompass individuals, groups, and organizations that play a vital role in the achievement of our business objectives. Our key stakeholders include employees, shareholders, investors, distributors, customers, channel partners, vendors, suppliers, regulators, and government agencies.

   The identification of these crucial stakeholder groups is done using a qualitative approach, which involves consultations and feedback from different departments, as well as input from senior management and the board.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication(Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/ Others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	General meetings, Notices, E-mails, Website, Communication to Stock Exchanges, Annual report and Investor meet	As per statutory requirement	The main objective is to collect feedback from stakeholders about the company's products and services. We value the support of our stakeholders and recognize their expectations and concerns. Our goal is to recognize, prioritize, and resolve the concerns and problems of our stakeholders in a consistent, organized, and open manner through effective conversations and communication.
Employees	No	Direct communication, Intranet portal, meetings and trainings	As and when required	
Value chain partners/ Vendors	No	Direct communication, events, E-mails	As and when required	
Government and Regulatory Authorities	No	Direct communication, E-mails, Website	As and when required	
NGOs/CSR Organisations	Partially yes	Direct communication, E-mails, Website, Newspapers	As and when required	
Media	No	Press releases, Media events and announcements	As and when required	
Customers	No	Direct communication, events, E-mails	As and when required	

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   We actively involve stakeholders in our discussions on environmental, social, and governance (ESG) matters across our different departments, promoting continuous collaboration. We consistently gather feedback and integrate it into our strategic framework to guarantee that our actions are in line with our mission and vision. Key issues are thoroughly evaluated, prioritized, and communicated with relevant stakeholders for discussion, taking into account their potential impact on our operations and the interests of those involved.

   During the quarterly meetings, our top-level executives and board members discuss stakeholder feedback and potential initiatives, ensuring they are taken into account when making strategic decisions.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No)**

   If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   We proactively interact with both internal and external stakeholders to gain a comprehensive understanding of their requirements and obstacles across all business areas associated with environmental, social, and governance (ESG). The feedback we receive is thoroughly analysed and incorporated into our decision-making process. As an example, we engage in open dialogues with stakeholders to pinpoint material topics that have a substantial influence on our operations. These significant issues influence our focus areas when creating environmental, social, and governance policies, formulating strategic plans, and developing actionable strategies for consideration.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   We are dedicated to enhancing the well-being of disadvantaged communities residing near our production sites. As part of our corporate social responsibility (CSRs) efforts, we concentrate on community development projects in various sectors, including health, education, job skills, sanitation, and livelihood opportunities. Furthermore, we actively promote sustainable livelihoods and capacity building by directly collaborating with small and marginal suppliers, placing a significant emphasis on sourcing from local micro, small, and medium-sized enterprises (MSMEs).

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (C/D)
Employees						
Permanent	132	124	93	150	130	86
Other than permanent	0	0	0	0	0	0
Total employee	**132**	**124**	**93**	**150**	**130**	**86**
Workers						
Permanent	130	122	93	144	122	84
Other than permanent	466	432	92	427	412	96
Total workers	**596**	**554**	**92**	**571**	**534**	**93**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum wage		Total (D)	Equal to Minimum Wage		More than Minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	133	0		133		140	0		140	
Female	130	0		130		11	0		11	
Other than permanent										
Male	Nil					Nil	Nil		Nil	
Female	Nil					Nil	Nil		Nil	
Workers										
Permanent										
Male	96	0		96		128	0		128	
Female	34	0		34		16	0		16	
Other than permanent										
Male	392	117		247		354	46		308	
Female	64	26		32		56	7		49	

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	1,71,02,459	1	2,17,35,252
Key Managerial Personnel	2	83,39,440	0	0
Employees other than BoD and KMP		4,91,532		4,81,062

4. Gross wages paid to females as a % of total wages paid by the entity, in the following format

	Financial Year 2025-26 (Current Financial Year)	Financial Year 2024-25 (Previous Financial Year
Gross wages paid to females as % of total wages	18%	19.61%
	3531269/19876575	3672517/18720117

5. Describe the internal mechanism in place to redress grievances related to human rights issues.

Our human resources (HR) department is accountable for handling any human rights issues or concerns that may arise from our business activities. Employees are entitled to raise concerns about human rights violations, and the HR team diligently examines these reports. In-depth investigations are carried out to guarantee a just resolution, and cases that demand additional action are escalated to the highest management for immediate attention.

Furthermore, we have set up an internal committee (IC) to handle complaints of sexual harassment in a confidential manner. We are dedicated to promoting and protecting human rights, creating an inclusive, respectful, and secure workplace environment for all our employees.

6. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Our organization's human rights policy, which is a part of our broader business responsibility policy, provides a framework for guiding our actions and establishing ethical standards. When a human rights complaint is brought forward, a systematic resolution process is implemented. The human resources (HR) team at the specific facility conducts a comprehensive investigation to guarantee a successful resolution. When the situation demands additional intervention, the matter is escalated to senior management for immediate action and resolution.

Furthermore, we have a specific policy in place that addresses the prevention of sexual harassment (posh). In order to maintain a secure and respectful workplace, we have set up an internal complaints committee (IC) to address sexual harassment cases, ensuring confidentiality and impartiality in the process. The ICC functions with efficiency, guaranteeing that investigations are finished within a seven-day timeframe. Both sides are provided with an equal chance to present their arguments, and all pertinent evidence is thoroughly examined. After carefully evaluating the complaint, the IC determines its validity. If a complaint is determined to be false, the appropriate action is taken against the complainant. In the event that sexual harassment is proven, we promptly and firmly address the issue, implementing disciplinary measures against the offender to safeguard the complainant's welfare.

7. Number of Complaints on the following made by employees and workers:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have set up an internal committee (IC) in compliance with the posh act, offering employees a safe and confidential avenue to voice their concerns. The committee guarantees the confidentiality of the complainant throughout the investigation process until a final decision is made. Moreover, the ICC regularly organizes training sessions and awareness programs, such as induction workshops, to educate employees about workplace safety and the prevention of harassment. Whistleblower complaints are kept confidential and are submitted to the audit committee of the board for evaluation during quarterly assessments.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, human rights requirements are a part of the general terms and conditions in all business contracts and agreements.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	We have not yet conducted third-party assessments, but we consistently perform internal evaluations to guarantee adherence to ethical standards. These evaluations are carried out regularly and as required to track and prevent child labour, forced labour, sexual harassment, discrimination in all our facilities and payment of minimum wages.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No, human rights related grievances were reported during the period under review.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No, we have not conducted any human rights due diligence during the reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Our commitment is to provide accessibility for all individuals, including employees, workers, and visitors, at every location we operate. In order to reinforce this dedication, we offer a range of accessibility features, such as ramps, elevators, accessible restrooms, designated parking spaces, and wheelchairs. By integrating these amenities, we aim to foster an inclusive and welcoming atmosphere for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Our vendor assessment process is comprehensive and thorough, taking into account important factors like forced labour, child labour, fair wages, and workplace discrimination when evaluating suppliers. However, we have not yet enlisted the help of external evaluators to assess the value chain partners of our organization.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in kWh) and energy intensity, in the following format:

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Total electricity consumption (A)	1274720	1155852
Total fuel consumption (B)	46843	0
Energy consumption through other sources (C)	558135	578021
Total energy consumption (A+B+C)	1879698	1733873
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.00044829 kWh/ Rupee	0.00040682 kWh/ Rupee
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.*

No, we have not assessed/evaluated through any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NIL

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	16583	13583
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**16583**	**13583**
Total volume of water consumption (in kilolitres)	**16583 KLD/Year**	**13583 KLD/Year**
Water intensity per rupee of turnover (Water consumed / turnover)	0.00518 LD/rupee (or) 0.0000051 KLD/ rupee	0.0064 LD/rupee (or) 0.0000064 KLD/ rupee
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	9062 KLD	12003 KLD
(iii) To sea water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others		
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged	**9062 KLD**	**12003 KLD**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented a Zero Liquid Discharge (ZLD) mechanism across its manufacturing operations. All wastewater generated is fully treated through an in-house treatment system and reused within the facility, ensuring that no liquid waste is discharged into the environment, including rivers, lakes, or sewers. Any residual solids or sludge from the treatment process are safely handled and disposed of in compliance with applicable environmental regulations. This approach supports the Company's commitment to sustainable and responsible water management.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify Unit	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Nox	Nm^3	16.2 μg/Nm^3	16.1 μg/Nm^3
Sox	Nm^3	6.27μg/Nm^3	6.3 μg/Nm^3
Particulate matter (PM)	Nm^3	70.77 μg/Nm^3	70.9 μg/Nm^3
Persistent organic pollutants (POP)	NA	NA	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY Current Financial year	FY Previous Financial year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)		-	-
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

8. **Does the entity have any project related to reducing Green House Gas emission?**

If Yes, then provide details.

NIL

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.81	0.74
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)*	-	-
Other Non-hazardous waste generated (H). **Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1088	448.35
Total (A+B + C + D + E + F + G + H)	**1088.81**	**449.09**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**-**	**-**

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	1,088.81	449.09
Total	**1,088.81**	**449.09**

* Other hazardous waste comprises of used oil

** Other non-hazardous waste comprises of Wood, Foam, Leather, Carton Waste

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows waste segregation and safe storage practices at all locations. Waste is regularly collected and sent to authorized vendors for disposal or recycling. Efforts are made to minimize the use of hazardous and toxic chemicals in products and processes by adopting safer alternatives wherever possible. Any hazardous waste generated is handled as per regulatory norms and disposed of through certified agencies.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web link
No assessments have been undertaken during last financial year and during the current financial year we are assessing the suitable assessment.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company complies with all the regulatory environmental laws				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency*

No, we have not assessed/evaluated through any external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

NA

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NIL			

5. Does the entity have a business continuity and disaster management plan?

Yes, the Company has a comprehensive Business Continuity and Disaster Management Plan to ensure minimal disruption to operations during unforeseen events. The plan covers risk assessment, crisis response procedures, data backup systems, alternate work arrangements, and communication protocols. Key functions such as manufacturing, supply chain, IT, and safety are prioritized with defined recovery strategies. Regular drills and reviews are conducted to test preparedness and update response measures. Emergency response teams are designated at critical sites to coordinate immediate action. The plan aligns with regulatory requirements and supports operational resilience and employee safety during natural or man-made disruptions.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company's value chain in luxury furniture manufacturing involves activities such as material procurement, production, and transportation, which may have environmental impacts including resource consumption, emissions, and waste generation. To address these, the Company has implemented measures such as using certified raw materials, optimizing production processes to reduce waste, installing energy-efficient equipment, and treating and reusing water at manufacturing sites. Packaging and transportation processes are also streamlined to lower fuel usage and emissions. The Company regularly engages with vendors and service providers to ensure adherence to applicable environmental standards and reduce operational impact.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NIL

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. NA

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
NA		

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of the authority	Brief of the case	Corrective action taken
NA		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
NIL					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S.No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
NA						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The mechanisms available to consumers above are also available to the community. The company actively participates in community engagement through its CSR projects

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Parameter	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Directly sourced from MSMEs/ small producers	35%	10.63%
Directly sourced within India	47%	46.50%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26 Current Financial year	FY 2024-25 Previous Financial year
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	-	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential indicators above)

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Sl No.	State	Aspirational District	Amount Spent (in INR)
NA			

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No):

No

b) From which marginalized / vulnerable groups do you procure?

NA

c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current fiscal), based on traditional knowledge

Sl No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
NA		

6. Details of beneficiaries of CSR projects:

Sl No.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1.	Forum for Medical Ethics Society	190	100%
2.	Narayana Hrudayalaya Hospital	1	100%
3.	Atma Vani Welfare Society	Not ascertainable / NA	NA
4.	Rotary Club Bengaluru	500	100%

Note: In respect of the CSR project undertaken through Atma Vani Welfare Society, the CSR contribution was towards environmental sustainability. As the project does not involve direct or identifiable beneficiaries and the implementing agency has not provided the number of persons benefitted, the same has not been quantified in the above table.

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We place utmost importance on client satisfaction and have established a robust mechanism to address feedback and grievances effectively. Our diverse client base is provided with multiple communication channels to share concerns or suggestions. Each complaint is handled with due seriousness, and our dedicated teams ensure thorough analysis and timely resolution with client involvement at every stage. Transparency is maintained throughout the process, with regular updates and necessary approvals on corrective actions. Beyond complaint resolution, we actively engage with clients to understand their evolving expectations, which informs our strategic decisions and drives continuous service enhancement, reinforcing long-term partnerships.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of Products	0	0	-	0	0	-
Quality of Products	2303	140	-	2549	228	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

   No. However, all the necessary measures to ensure cyber security and data privacy are in place within the Company.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches: **0**

   b) Percentage of data breaches involving personally identifiable information of customers: **0**

   c) Impact, if any, of the data breach: **NIL**

Leadership Indicators

1. **Channels / Platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information about our products and services is shared through multiple channels to ensure maximum reach and accessibility for our customers. These include our official website, which offers detailed and up-to-date information on all offerings; product catalogues, available in both digital and printed formats; and newspaper advertisements published in leading dailies to highlight key features and promotions. Additionally, we leverage digital advertising through social media platforms such as Facebook, Instagram, LinkedIn, and YouTube to engage with a wider audience and keep them informed about our latest updates and offerings.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   We undertook specific initiatives to educate consumers on the safe and responsible usage of our products. This included providing a detailed User Manual with each product, outlining safety precautions, operating guidelines, and maintenance instructions. Additionally, a Fit Information Card was included to guide users on proper installation, usage posture, and compatibility, helping ensure optimal performance and user safety. These efforts were aimed at promoting informed usage and reducing the risk of misuse or accidents.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**

   We have established clear mechanisms to inform consumers promptly in the event of any risk of disruption or discontinuation of essential services. These include direct communication channels such as email and SMS alerts to affected customers, notifications through our official website, and updates on our social media platforms. In cases requiring broader outreach, public notices or press releases are issued. Additionally, our customer service team is equipped to provide real-time support and clarification to ensure transparency and minimize inconvenience during such events.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable)**

   If yes, provide details in brief. Yes.

   The entity provides product information beyond what is mandated under local laws. In addition to the required labelling details, the packaging includes PO number, STN number, model name, product range, colour, configuration, seater details, number of packages, and QC and supervisor sign-offs. This ensures better traceability, quality control, and customer transparency.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   No

Standalone Financial Statements

Independent Auditor's Report

To The Members of **Stanley Lifestyles Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Stanley Lifestyles Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's Report and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the other information identified above when it becomes available, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   v. (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 50 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   vi. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

   vii. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2026 wherein the accounting software did not have the audit trail feature enabled throughout the year. (Refer note 51 to the standalone financial statements).

   As audit trail feature was not enabled for the years ended 31 March 2024 and 31 March 2025, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of the audit trail as per the statutory requirements for record retention is not applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sandeep Kukreja
Partner Membership No. 220411
(UDIN: 26220411GOQGFY7494)

Place: Bengaluru
Date: 27 May 2026

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of **Stanley Lifestyles Limited** (the “Company”) as at 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Sandeep Kukreja
Partner (Membership No. 220411)
(UDIN: 26220411GOQGFY7494)

Date: 27 May 2026
Place: Bengaluru

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) In respect of property, plant and equipment and Intangible assets:

(a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets and intangible assets under development.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no such assets were due for verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

(c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and according to information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not provided security or granted any loans or advances in the nature of loans, secure or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investment in and provided guarantee to the companies during the year, in respect of which:

a. The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year. The Company has stood guarantee during the year and details of which are given below:

	Guarantees (₹ in million) *
A. Aggregate amount provided during the year:	
- Subsidiaries	-
B. Balance outstanding as at balance sheet date in respect of above case:	
- Subsidiaries	70

* The Company has disclosed the above guarantee amounts in note 36 to the standalone financial statements.

b. The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned guarantees provided, during the year are, in our opinion, not prejudicial to the Company’s interest.

c. According to the information and explanations given to us, the Company has not provided any loans or advances in the nature of loans during the year. Hence reporting under clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under Section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of Sales Tax, Service Tax, Value Added Tax and Excise duty are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2026, on account of disputes are given as below:

Name of the statue	Nature of the dues	Amount (₹ in Million)	Period to which the amount relates to	Forum where Dispute is pending
Income tax Act, 1961	Income tax and interest	1^	FY 2020-21	CIT (Appeals)
		6	FY 2007-08	CIT – Central Circle 1(1), Bangalore
		4	FY 2008-09	
		1	FY 2018-19	

^ Net of ₹ 0.28 million paid under protest.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities and persons in the previous year on account of or to meet the obligations of its subsidiaries as per details below:

Nature of fund taken	Name of lender/ shareh older	On account of or to meet the obligations of subsidiaries*		
		Amount involved (₹ in million)	Name of the subsidiary	Nature of transaction for which funds utilized
Equity share capital	Public (by way of Initial Public Offer)	1,401.57	Stanley Retail Limited, Staras Seating Private Limited, Sana Lifestyles Limited, Shrasta Décor Private Limited, ABS Seating Private Limited	Opening of New/ Anchor Stores and renovation of the existing stores by such subsidiaries

*Planned obligations as per Red Herring Prospectus('RHP') filed by the Company with SEBI dated 13 June 2024.

During the year the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any joint ventures or associate companies.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any joint ventures or associate companies.

(x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

In our opinion, moneys raised by way of initial public offer by the Company during the previous year, have been partly utilised by the Company in the current year for the purpose for which they were raised, and balance unutilised amounts are temporarily deployed in a separate Bank account as fixed deposits with Bank. Refer note 52 to the standalone financial statements;

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 December 2025 for the period under audit.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sandeep Kukreja
Partner (Membership No. 220411)
(UDIN: 26220411GOQGFY7494)

Date: 27 May 2026
Place: Bengaluru

Standalone Balance Sheet

as at 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	4	344	311
Right of use assets	5	732	317
Capital work in progress	4c	1	375
Intangible assets	4a	415	47
Intangible assets under development	4b	14	9
Financial assets			
(i) Investments	6	1,310	812
(ii) Other financial assets	7A	170	789
Deferred tax assets (net)	8	46	53
Current tax assets (net)	14	69	40
Other non-current assets	9	13	14
Total non-current assets		**3,114**	**2,767**
Current assets			
Inventories	10	459	463
Financial assets			
(i) Investments	6	47	-
(ii) Trade receivables	11	305	287
(iii) Cash and cash equivalents	12	54	326
(iv) Bank balances other than (iii) above	13	1,294	777
(v) Other financial assets	7A	119	109
Other current assets	9	61	59
Total current assets		**2,339**	**2,021**
Total assets		**5,453**	**4,788**
Equity and liabilities			
Equity			
Equity share capital	15	114	114
Other equity	16	4,066	3,952
Total equity attributable to equityholders		**4,180**	**4,066**
Total equity		**4,180**	**4,066**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	3	-
(ii) Lease liabilities	34	778	368
(iii) Asset retirement obligations	4d	35	28
Provisions	18	6	-
Total non-current liabilities		**822**	**396**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	1	-
(ii) Lease liabilities	34	49	36
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	19	48	11
b) Total outstanding of creditors other than micro and small enterprises	19	239	176
(iv) Other financial liabilities	20	49	54
Other current liabilities	21	24	25
Provisions	18	32	16
Current tax liabilities (net)	22	9	8
Total current liabilities		**451**	**326**
Total liabilities		**1,273**	**722**
Total equity and liabilities		**5,453**	**4,788**
Summary of material accounting policies	2		

The accompanying notes are integral part of these standalone financial statements.

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
Chairman and
Managing Director
DIN 01421517

Shubha Sunil
Whole Time
Director
DIN 01363687

Venkataramana Seshagirirao Gorti
Joint Managing
Director
DIN 08526382

Mukesh Sharma
Company Secretary
and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Place: Bengaluru
Date: 27 May 2026

Standalone Statement of Profit and Loss

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
I Revenue from operations	23	1,986	2,175
II Other income	24	243	236
III Total revenues		**2,229**	**2,411**
IV Expenses			
a) Cost of materials consumed	25	1,146	1,237
b) Changes in stock of finished goods and work-in-progress	26	(8)	27
c) Employee benefits expenses	27	270	284
d) Finance costs	28	68	52
e) Depreciation and amortisation expenses	29	142	124
f) Other expenses	30	471	432
V Total expenses		**2,089**	**2,156**
VI Profit before exceptional item and tax (III - V)		**140**	**255**
VII Exceptional item			
Impact of Labour Codes (Refer note 35)	35	14	-
VIII Profit before tax (VI - VII)		**126**	**255**
IX Tax expenses			
a) Current tax	22	23	61
b) Deferred tax charge/ (credit)	22	5	(4)
c) Short/(excess) provision of tax relating to earlier years	22	(2)	5
X Total tax expenses		**26**	**62**
XI Profit for the year (VIII-X)		**100**	**193**
XII Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to Standalone Statement of Profit or Loss in subsequent periods:			
a) Re-measurement gains/ (losses) on defined benefit plans	35	3	(0)
b) Income tax relating on above	22	(1)	0
XIII Total other comprehensive income for the year (net of tax)		**2**	**(0)**
XIV Total comprehensive income(net of tax) for the year (XI + XIII)		**102**	**193**
Earnings per equity share in Rs. (nominal value per share Re. 2)			
(a) Basic	41	1.75	3.46
(b) Diluted	41	1.75	3.45
Summary of material accounting policies	2		

The accompanying notes are integral part of these standalone financial statements.

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: 27 May 2026

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh
Chairman and Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Standalone Statement of Cash Flows

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
A Cash flows from operating activities:			
Profit before tax		126	255
Adjustments for:			
Depreciation and amortisation expenses	29	142	124
Profit on sale of property, plant and equipment (net)	24	(0)	(0)
Liabilities no longer required written back	24	(1)	(1)
Provision for expected credit loss (net)	30	(1)	0
Finance costs	28	68	52
Unrealized foreign exchange (gain)/ loss (net)		1	0
Unrealised gain on mutual funds	24	(1)	-
Realised gain on sale of mutual funds	24	(7)	-
Interest income	24	(119)	(116)
Provisions for warranty	30	13	7
Share based payment expenses	27	1	8
Cash flow from operating activities before working capital changes		**222**	**329**
Adjustments for (increase)/ decrease in assets:			
Financial assets		(29)	(3)
Inventories		4	55
Trade receivables		(16)	302
Other assets		(3)	11
Adjustments for increase/ (decrease) in liabilities:			
Financial liabilities		(8)	34
Trade payables		116	(133)
Provisions		12	(1)
Other current liabilities		(1)	13
Cash generated from operations		**297**	**607**
Income taxes paid (net)		(48)	(86)
Net cash generated from operating activities		**249**	**521**
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital creditors, capital advances and intangible assets under development)		(98)	(274)
Proceeds from sale of property, plant and equipment		1	0
Deposits with banks and financial institutions (placed)/ matured (net)		109	(1,117)
Intercompany loan repayment		-	50
Interest received on intercompany loan		-	1
Investment in subsidiary		(499)	(480)
Investment in mutual funds (net)		(39)	-
Interest received		64	48
Net cash used in from investing activities		**(462)**	**(1,772)**
C Cash flows from financing activities			
Borrowings / (repayment of borrowings) (net)		4	(241)
Proceeds from issue of shares (refer note 53)		51	2,166
Share issue expenses on account of IPO (refer note 53)		(22)	(262)
Proceeds from issue of shares on account of ESOPs		3	11
Interest paid (refer note below)		(0)	(11)
Interest on lease rentals (refer note below)		(64)	(38)
Payment of lease liabilities (refer note below)		(31)	(53)
Net cash/(used in) from financing activities		**(59)**	**1,572**
Net increase in cash and cash equivalents		**(272)**	**321**
Cash and cash equivalents at the beginning of the year	12	326	5
Cash and cash equivalents at the end of the year		**54**	**326**

Standalone Statement of Cash Flows

for the year ended 31 March 2026
(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	31 March 2026	31 March 2025
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	12	54	76
(ii) In deposit accounts	12	-	250
Cash on hand	12	0	0
Cash and cash equivalents at the end of the year		**54**	**326**

Notes:

Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

Note:

a. Movement of liabilities arising from financing activities

As at 31 March 2026

Particulars	31 March 2025	Non-cash changes		Cash flows	31 March 2026
		Finance cost accrued during the year	Additions (Net)		
Borrowings	-	-	-	4	4
Lease liabilities	404	64	454	(95)	827
Interest on borrowings	-	0	-	(0)	-
Total	**404**	**64**	**454**	**(91)**	**831**

As at 31 March 2025

Particulars	31 March 2024	Non-cash changes		Cash flows	31 March 2025
		Finance cost accrued during the year	Additions (Net)		
Borrowings	241	-	-	(241)	-
Lease liabilities	456	38	1	(91)	404
Interest on overdraft facility	-	11	-	(11)	-
Total	**697**	**49**	**1**	**(343)**	**404**

The accompanying notes are integral part of these standalone financial statements.

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
Chairman and Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Place: Bengaluru
Date: 27 May 2026

Standalone Statement of Changes in Equity

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

A Equity share capital

As at 31 March 2026

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
114	0	114

As at 31 March 2025

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
103	11	114

* refer to note 15 for details of changes during the year

B Other equity

Particulars	Attributable to the equity holders				
	Reserve and surplus			Items of other comprehensive income (OCI)	Total other equity attributable to equity holders of the company
	Securities premium reserve	Retained earnings	Employee stock option reserve	Remeasurement of defined benefit plans	
As at 1 April 2024	**1,129**	**731**	**25**	**6**	**1,891**
Profit for the year	-	193	-	-	193
Proceeds from initial public offer	1,845	-	-	-	1,845
Proceeds from ESOP	11	-	-	-	11
Transfer from ESOP outstanding owing to exercise of ESOPs	12	-	(12)	-	(0)
Share based payment expense / contribution to subsidiaries	-	-	12	-	12
Other comprehensive income (net of tax)	-	-	-	(0)	(0)
As at 31 March 2025	**2,997**	**924**	**25**	**6**	**3,952**
Profit for the year	-	100	-	-	100
Proceeds from ESOP	3	-	-	-	3
Transfer from ESOP outstanding owing to exercise of ESOPs	3	-	(3)	-	-
Reversal of excess provision of share issue expense	9	-	-	-	9
Share based payment expense / contribution to subsidiaries	-	-	0	-	0
Other comprehensive income (net of tax)	-	-	-	2	2
As at 31 March 2026	**3,012**	**1,024**	**22**	**8**	**4,066**

The accompanying notes are integral part of these standalone financial statements.

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: 27 May 2026

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh
Chairman and Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
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Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

1 General Information

Stanley Lifestyles Limited ("the Company" or "SLL") was incorporated on 11 October 2007 as a public limited company under the provisions of the Companies Act 1956 with its registered office in Bengaluru, India. The Company together with its subsidiaries (Collectively referred to as "the Group") and 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 Company's equity shares have been listed on Bombay Stock Exchange Limited (""BSE"") and on National Stock Exchange of India Limited (""NSE"") on June 28, 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs. 2 each at an issue price of Rs 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

The standalone financial statements of the Company were approved in the meeting of the Board of Directors held on 27 May 2026.

2 Material accounting policies

Material accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of standalone Financial Statements

(a) Statement of Compliance with Ind AS

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ""Act"") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The standalone financial statements 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;

iii) Asset classified as held for sale;

iv) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations (“DBO”); and

v) Expenses relating to share-based payments are measured at fair value on the date of grant.

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 standalone financial statements 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 Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet 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 and Intangible assets

i) 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 property plant and equipment 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 balance sheet date are disclosed as capital work in progress, net of impairment loss, if any.

d) Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are disclosed as 'capital advances' under 'Other non-current assets'.

e) Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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 its shorter life.

Depreciation methods, estimated useful lives

Depreciation is provided on straight line method over the estimated useful life of property plant and equipment as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the period of 10 years (useful life). Depreciation on addition to property, plant and equipment's 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's 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 fully depreciated in the year of capitalisation.

ii) Intangible Assets

a) Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

b) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

c) Intangible assets have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The intangible assets are amortised on a straight line basis upto the period of 72 months.

d) Intangible assets, which are acquired by the Company and have indefinite useful life are not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the standalone 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 (INR), which is the Company's 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 standalone Statement of Profit and Loss.

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 standalone Statement of Profit and Loss.

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

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 fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Ind AS 115 Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company 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 contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company presents revenues net of indirect taxes in its standalone Statement of Profit and loss.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

Interest Income is recognised on basis of effective interest method as set out in Ind AS 109 , Financial

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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.

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.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet 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 standalone Statement of Profit and Loss, 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 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.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the tenure of lease term

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.

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 other income in the Statement of Profit or Loss due to its operating nature.

Notes to the Standalone Financial Statements

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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 statement of profit and loss 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 purchases costs include cost of purchase and other costs bringing inventory to there location.

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of certain aero structures, components, 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 First In First Out (FIFO) 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.

Work-in-progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work -in-progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

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 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 standalone Statement of Profit and Loss 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 standalone Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. 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”).

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 Balance sheet date.

These are reviewed at each Balance Sheet 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence

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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 costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings, interest on lease liability as per Ind As 116 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. The management generally considers the period of 12 months or more as substantial period. All other borrowing costs are recognised as an expense in the standalone Statement of Profit and Loss in the year in which they are incurred.

2.12 Cash and cash equivalents

Cash and cash equivalent in the standalone Balance Sheet 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 Investment in Subsidiary

Company accounts for its investment in subsidiaries at cost, net of impairment (if any).

2.14 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

(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: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the Effective Interest Rate method (EIR).

Fair Value Through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair Value Through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

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Fair Value Through Profit or Loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) 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 30 days past due.

(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

(i) 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.

(ii) 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.

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

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amortization is included as finance costs in the standalone Statement of Profit and Loss.

(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 Statement of Profit and Loss 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 Company or the counterparty.

2.15 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 Balance Sheet.

(b) Defined contribution plan

The Company makes defined contribution to provident fund, which are recognised as an expense in the standalone Statement of Profit and Loss 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 Statement of Profit and Loss.

(c) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Code of Social Security, 2020. 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 wages. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Past service cost is recognized for the change in the present value of the Defined benefit obligation resulting from a plan amendment or curtailment. Actuarial losses / (gains) are recognized in the other comprehensive income in the year in which they arise.

(d) Other long term employee benefits

Compensated Absences: Accumulated compensated absences, are expected to be availed or encashed within Twelve months from the end of the year, treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

2.16 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.

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2.17 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 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

2.18 Business Combination

(i) Business combinations (common control business combinations):

Business combination involving entities that are controlled by the company are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values,or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the standalone financial statements of the transferor is aggregated with the corresponding balance appearing in the standalone financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserve are preserved and the reserves of the transferor becomes the reserves of the transferee
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(ii) Business combinations (other than common control business combinations):

In accordance with Ind AS 103, the Company accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

2.19 Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately as Exceptional items.

2.20 Share-based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity (stock options outstanding account). The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

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2.21 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 standalone financial statements 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 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.

(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.

(b) 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 Equity-settled transactions notes: 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 Company best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the standalone 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.

(c) 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.

3.2 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules

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as issued from time to time. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 01 April 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 01 April 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that there is no impact in its financial statements.

3.3 New and Revised Ind AS's in issue but not effective yet

At the date authorisation of these standalone financial statements, the Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Amendments to Ind AS 1 Presentation of Financial Statements: Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e., after the reporting date but before approval of the financial statements) agrees not to demand payment.

The directors do not expect that the adoption of the standards listed above will have a material impact on the standalone financial statements of the Company in future periods.

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4 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net carrying value	
	As at 1 April 2025	Additions	Disposals	As at 31 March 2026	As at 1 April 2025	Depreciation expense	Disposals	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Leasehold improvements	224	27	-	251	71	23	-	94	157	153
Plant and machinery	193	42	-	235	64	23	-	87	148	129
Electrical equipment	17	5	-	22	4	2	-	6	16	13
Office equipment	4	2	-	6	4	1	-	5	1	0
Computers	9	1	3	7	4	2	2	4	3	5
Furniture and fixtures	6	2	-	8	4	1	-	5	3	2
Vehicles	13	9	4	18	4	2	4	2	16	9
Total	**466**	**88**	**7**	**547**	**155**	**54**	**6**	**203**	**344**	**311**

Particulars	Gross block				Accumulated depreciation				Net carrying value	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	Depreciation expense	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Leasehold improvements	213	11	-	224	45	26	-	71	153	168
Plant and machinery	136	57	0	193	43	21	0	64	129	93
Electrical equipment	12	5	-	17	3	1	-	4	13	9
Office equipment	3	1	-	4	3	1	-	4	0	0
Computers	6	3	-	9	2	2	-	4	5	4
Furniture and fixtures	4	2	-	6	3	1	-	4	2	1
Vehicles	13	-	-	13	2	2	-	4	9	11
Total	**387**	**79**	**0**	**466**	**101**	**54**	**0**	**155**	**311**	**286**

Note:

1. There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2024 till year ended 31 March 2026.

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4 Property, plant and equipment (Contd..)

4a Intangible assets

Particulars	Gross block				Accumulated amortisation				Net carrying value	
	As at 1 April 2025	Additions	Disposals	As at 31 March 2026	As at 1 April 2025	Amortisation expense	Disposals	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Computer software	41	2	-	43	16	11	-	27	16	25
Licenses and Trademarks	27	383	-	410	5	6	-	11	399	22
Total	**68**	**385**	**-**	**453**	**21**	**17**	**-**	**38**	**415**	**47**

Particulars	Gross block				Accumulated amortisation				Net carrying value	
	As at 1 April 2024	Additions	Disposals	As at 31 March 2025	As at 1 April 2024	Amortisation expense	Disposals	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Computer software	37	4	-	41	10	6	-	16	25	27
Licenses and Trademarks	11	16	-	27	1	4	-	5	22	10
Total	**48**	**20**	**-**	**68**	**11**	**10**	**-**	**21**	**47**	**37**

Note:

1. There has been no revaluation of intangible assets during the financial year beginning from 1 April 2024 till year ended 31 March 2026.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4 Property, plant and equipment (Contd..)

4b Intangible assets under development

Particulars	As at 31 March 2026			
	Opening	Additions	Deduction	Closing
New product under development	9	14	9	14
Total	**9**	**14**	**9**	**14**

Particulars	As at 31 March 2025			
	Opening	Additions	Deduction	Closing
New product under development	16	9	16	9
Total	16	9	16	9

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 2025	9	-	-	-	9
As at 31 March 2026	14	-	-	-	14

4c Capital work in progress

Particulars	Amount
Balance as at 1 April 2024*	**375**
Additions	-
Deduction	-
Balance as at 31 March 2025*	**375**
Additions	1
Deduction	(375)
Balance as at 31 March 2026	**1**

* The Company has entered into an agreement on 1 September 2023 with Mr. Sunil Suresh (Managing Director of the Company) to purchase the 'Stanley' Trademark and Copyright at an agreed price of Rs. 443 million (inclusive of GST). The Company had applied for the registration of a trademark in the name of the Company on 19 August 2023. During the year ended 31 March 2026, majority of the Trademarks and Copyrights were registered. Accordingly, the Company has capitalised these Trademarks during the year ended 31 March 2026.

As at 31 March 2026

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	1	-	-	-	1
Total	**1**	**-**	**-**	**-**	**1**

As at 31 March 2025

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	-	375	-	-	375
Total	**-**	**375**	**-**	**-**	**375**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4 Property, plant and equipment (Contd..)

4d Asset retirement obligations

Particulars	As at 31 March 2026	As at 31 March 2025
Asset retirement obligations	35	28

5 Right of use Assets

Particulars	Amount
Gross carrying amount	
As at 1 April 2024	**798**
Additions	-
Deduction	-
Balance as at 31 March 2025	**798**
Additions	488
Deduction	-
Balance as at 31 March 2026	**1,286**
Accumulated depreciation	
As at 1 April 2024	**421**
Additions	60
Deduction	-
Balance as at 31 March 2025	**481**
Additions (Refer note 1 below)	71
Capitalized	2
Deduction	-
Balance as at 31 March 2026	**554**
Net carrying amount	
Written down value as at 31 March 2025	**317**
Written down value as at 31 March 2026	**732**

Note:

1. The depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the Standalone Statement of Profit and Loss.

2. There has been no revaluation of right-of-use assets during the financial year beginning from 1 April 2024 till year ended 31 March 2026.

6 Investments

Particulars	31 March 2026	31 March 2025
Non current investments		
Trade investment (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries		
Stanley Retail Limited 6,885,774 [(31 March 2025: 5,898,276) equity shares of Rs. 10 each fully paid)](refer note 6.1 below)	1,237	737
Add: Deemed investment on account of ESOP offered to employees of subsidiary and step down subsidiary (refer note 6.2 below)	13	15
	1,250	**752**
ABS Seating Private Limited 198,588 [(31 March 2025: 198,588) equity shares of Rs. 10 each fully paid)]	19	19
Add: Deemed investment on account of ESOPs offered to employees of subsidiary (refer note 6.2 below)	1	1
	20	**20**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

6 Investments (Contd..)

Particulars	31 March 2026	31 March 2025
Stanley OEM Sofas Limited 3,760,000 [(31 March 2025: 3,760,000) equity shares of Rs. 10 each fully paid)]	38	38
Add: Deemed investment on account of ESOP offered to employees of subsidiary (refer note 6.2 below)	2	2
	40	**40**
	1,310	**812**
Current investments		
Investment in Mutual fund		
SBI Overnight Fund (3,941.8710 units @ value per unt of Rs. 4,320.93)	17	-
ICICI Pru Savings Fund (52,678.42 units @ value per unit of Rs. 569.02)	30	-
	47	**-**
Category-wise investment		
Financial assets carried at cost	1,310	812
Financial assets mandatorily measured at FVTPL	47	-
Aggregate amount of unquoted investments	1,310	812
Aggregate market value of quoted investments	-	-

6.1 Movement in investment in Stanley Retail Limited

Particulars	Amount
Closing balance as at 31 March 2024	**257**
Addition of shares during the year (1,042,146 equity shares of Rs 10 each fully paid basis at Rs 460.30 per share)	480
Closing balance as at 31 March 2025	**737**
Addition of shares during the year (9,87,498 equity shares of Rs 10 each fully paid basis at Rs 506.33 per share)	**500**
Closing balance as at 31 March 2026	**1,237**

The Company has invested an aggregate amount of Rs 500 million (31 March 2025: Rs 480 million in its wholly owned subsidiary Stanley Retail Limited (""SRL""). The purpose of this capital infusion was to enable the subsidiaries to support capital expansion across the group and also for the purpose of routing the Initial Public Offering (""IPO"") fund to meet the objects in adherence to the method as prescribed in the prospectus.

The Company participated in the rights issue of SRL and subscribed to 9,87,498 (31 March 2025: 1,043,100 equity shares, offered in the ratio of 1000 equity shares for 5973 equity shares held (31 March 2025: 1,000 equity shares for every 4,713 equity shares held), against the valuation-based requirement of 9,87,498 (31 March 2026: 1,042,146) equity shares. The rights issue was fully subscribed. A nominal excess application amount of Rs 138 (31 March 2025: Rs 196) was refunded to the Company.

These intra-group capital transactions were carried out in compliance with applicable provisions of the Companies Act, 2013 and which were aimed at ensuring adequate capitalisation of the group entities to support their respective operational and strategic requirements.

6.2 The Company under the Employee Stock Option Plan 2022 has granted stock options to its employees, employees of subsidiary company and employees of step down subsidiary companies ("Company Companies"). The fair value of the share options is estimated at the grant date using a Black Scholes model. model, taking into account the terms and conditions. As required under Ind AS 102, the Company has recognised deemed investment for stock options granted to employees of subsidiaries.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

7 A. Other financials assets

Particulars	31 March 2026	31 March 2025
Non-current		
(Unsecured considered good)		
Security deposits	46	39
Bank deposits with more than 12 months maturity	124	750
	170	**789**
Current		
(Unsecured, considered good)		
Interest accrued on fixed deposits	119	68
Other receivables	-	41
Other advances	0	0
Advance to employees	0	0
	119	**109**

8 Deferred tax assets

Particulars	31 March 2026	31 March 2025
Deferred tax liability:		
Property plant and equipment	(20)	-
Deferred tax assets:		
Property plant and equipment	-	1
Provision for employee benefit expenses	5	3
Provision for bonus	1	3
Provision for expected credit loss	8	9
Lease Liabilities (net)	45	35
Others	7	2
Deferred tax assets (net)	**46**	**53**

9 Other assets

Particulars	31 March 2026	31 March 2025
Non-current		
Dues paid under protest	7	7
Capital advances	5	6
Prepaid expenses	1	1
	13	**14**
Current		
Advances to suppliers	42	37
Prepaid expenses*	16	21
Balance with statutory/ government authorities	3	1
	61	**59**

*Note: Prepaid expenses includes amount of Rs. Nil (as at 31 March 2025: Rs. 15 millions) that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders.

10 Inventories (at lower of cost and net realisable value)

Particulars	31 March 2026	31 March 2025
Raw materials (at cost)*	368	380
Work-in-progress	47	37
Finished goods	37	26
Stock-in-trade	7	20
	459	**463**

* including goods in transit of Rs 53 millions [31 March 2025 Rs 34 millions]

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

11 Trade receivables

Particulars	31 March 2026	31 March 2025
Current		
Unsecured, considered good		
- related party (refer note 40)	272	266
- others	33	21
	305	**287**
Unsecured, considered doubtful		
- related party (refer note 40)	27	27
- others	6	7
	33	**34**
Less: Allowance for expected credit loss ("ECL")	(33)	(34)
	305	**287**

A. Trade receivables ageing schedule as at 31 March 2026

Particulars	Outstanding for following period 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	305	-	-	-	305
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	1	32	33
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**305**	**-**	**1**	**32**	**338**
Less: Allowance for credit loss	(0)	(0)	(1)	(32)	(33)
Total trade receivables as at 31 March 2026	**305**	**(0)**	**-**	**-**	**305**

B. Trade receivables ageing schedule as at 31 March 2025

Particulars	Outstanding for following period 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	284	3	-	-	288
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	1	1	-	32	34
Disputed trade receivables- considered good		-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**285**	**4**	**-**	**32**	**321**
Less: Allowance for credit loss	(1)	(1)	-	(32)	(34)
Total trade receivables as at 31 March 2025	**284**	**3**	**-**	**-**	**287**

Notes:

a) Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days

b) Movement in credit loss allowances

Particulars	31 March 2026	31 March 2025
Balance at the beginning of the year	34	34
Addition/ (reversal) during the year	(1)	0
Balance at the end of the year	**33**	**34**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

12 Cash and cash equivalents

Particulars	31 March 2026	31 March 2025
Cash on hand	0	0
Balances with banks		
- in current accounts	54	76
- in deposit accounts	-	250
	54	**326**

13 Other balance with banks

Particulars	31 March 2026	31 March 2025
Deposits with original maturity of more than 3 months but less than 12 months (refer note "b" below)	1,041	776
In earmarked accounts (Refer note "a" below)	253	1
	1,294	**777**

Note:

a. Earmarked accounts include Rs 3 millions (31 March 2025: Rs 1 millions) against the bank guarantee and the letter of credit obtained by the Company.

b. Deposit accounts include Rs 250 millions (31 March 2025: Rs Nil) lien against the working capital facility.

14 Current tax assets (net)

Particulars	31 March 2026	31 March 2025
Taxes paid	207	156
Less: Provision for tax	(138)	(116)
	69	**40**

15 Equity share capital

15.1 Particulars	31 March 2026	31 March 2025
Authorized		
75,000,000 (31 March 2025: 75,000,000) equity shares of Rs 2/- each	150	150
	150	**150**
Issued, subscribed and fully paid-up		
Equity Shares		
57,125,663 (31 March 2025: 57,107,158) equity shares of Rs 2/- each	114	114
	114	**114**

15.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2026		31 March 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,71,07,158	114	5,15,97,168	103
Issued during the year*	18,505	0	55,09,990	11
Total	**5,71,25,663**	**114**	**5,71,07,158**	**114**

* Refer 15.6 for details on split issue, bonus issue, IPO issue and ESOP.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

15 Equity share capital (Contd..)

15.3 Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2026		31 March 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,61,93,547	28%
Shubha Sunil	1,61,93,533	28%	1,61,93,533	28%
Nippon Life India Trustee Ltd	47,27,598	8%	-	0%
SBI Consumption Opportunities Fund	30,31,960	5%	-	0%

15.4 Details of shares held by the promoters

Particulars	31 March 2026		31 March 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,61,93,547	28%
Shubha Sunil	1,61,93,533	28%	1,61,93,533	28%

15.5 Rights, preferences and restrictions

The Company has only one class of equity share having a par value of Rs 2 per share (31 March 2025 Rs 2 per share). Each holder of equity share is entitled to one vote per share. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding 31 March 2026

For the period of five years immediately preceding the standalone 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 except for issue of 14,742,048 bonus shares to existing shareholders on 19 June 2023.

Notes:

(i) The Company's 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 7,500,000 equity shares having a face value of Rs. 10 each per equity share to 37,500,000 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's 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's 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 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) The Company's equity shares have been listed on Bombay Stock Exchange Limited (" BSE") and on National Stock Exchange of India Limited ("NSE") on 28 June 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs. 2 each at an issue price of Rs 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

15 Equity share capital (Contd..)

Consequent to above allotments, the paid-up equity share capital of the Company stands increased from Rs. 74 million consisting of consisting of 7,371,024 equity shares of Rs. 10 each to Rs 103 Millions consisting of 51,597,168 Equity Shares of Rs. 2 each. Earnings per equity share has been calculated for the year ended 31 March 2024 after considering the total number of equity shares post subdivision and issue of bonus shares as per the provisions of the applicable Ind AS.

(v) The Company has allotted 18,505 (31 March 2025: 89,936) equity shares of Rs.2/- each as fully paid up pertaining to exercise of Employee Stock Option Plan 2022 (ESOP 2022) in its meeting dated 04 July 2025 [refer note 48].

16 Other equity

Particulars	31 March 2026	31 March 2025
Securities premium reserve [refer note 15.6]		
Balance at the beginning of the year	2,997	1,129
Add: Arising on issue of equity shares through IPO	-	1,989
Less: Share issue expenses on IPO/ Reversal of excess provision of share issue expense	9	(144)
Add: On receipt of exercise price of ESOPs over and above the paid up capital	3	11
Add: On transfer from ESOP outstanding owing to exercise of ESOPs	3	12
Balance at the end of the year (A)	**3,012**	**2,997**
Retained earnings		
Balance at the beginning of the year	924	731
Transfer from Employee stock option plan	0	-
Add: Profit for the year	100	193
Balance at the end of the year (B)	**1,024**	**924**
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	6	6
Add: Re-measurement defined benefit plans (net) (refer note 35)	2	(0)
Balance at the end of the year (C)	**8**	**6**
Employee stock option plan [refer note 15.6]		
Balance at the beginning of the year	25	25
Share based payment expense / contribution to subsidiaries	0	12
Transfer to retained earnings	(0)	-
Exercised during the year	(3)	(12)
Balance at the end of the year (D)	**22**	**25**
Total Equity (A) + (B) + (C) + (D)	**4,066**	**3,952**

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 Company and are available for distribution to shareholders.

Employee stock option plan [refer note 15.6]

Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

17 Borrowings

Particulars	31 March 2026	31 March 2025
Non-current		
Secured loans		
Long term loan (refer note (a) below)	4	-
	4	**-**
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	1	-
	3	**-**
Current		
Secured loans		
Current maturities of term loan (refer note (a) below)	1	-
	1	**-**

Notes:

a) Vehicle loan from HDFC bank for Rs 4 millions (31 March 2025: Rs Nil) including current maturities of long term debt Rs 1 million (31 March 2025: Rs Nil) which is repayable in 60 (31 March 2025: Nil) equated monthly instalments at the rate of interest of 7.85% (31 March 2025: Nil) per annum secured by hypothecation of vehicle.

b) The Company has not defaulted/ delayed in repayment of principal or payment of interest during the period 1 April 2024 to 31 March 2026.

18 Provisions

Particulars	31 March 2026	31 March 2025
Non-current		
Provision for employee benefits		
Gratuity (refer note 35)	6	-
	6	**-**
Current		
Provision for employee benefits		
Gratuity (refer note 35)	16	3
Compensated absences (refer note 35)	2	7
Provision for warranty(refer note 42)*	14	6
	32	**16**

***Assurance type 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.

19 Trade payables

Particulars	31 March 2026	31 March 2025
Total outstanding dues to micro and small enterprises	48	11
Total outstanding of creditors other than micro and small enterprises		
- related party (refer note 40)	-	0
- others	239	176
	287	**187**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

19 Trade payables (Contd..)

A. Trade payables ageing as at 31 March 2026

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	13	35	-	-	-	48
Undisputed dues to creditors other than micro and small enterprises	163	75	0	-	1	239
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables as at 31 March 2026	**176**	**110**	**0**	**-**	**1**	**287**

B. Trade payables ageing as at 31 March 2025

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	8	3	0	0	0	11
Undisputed dues to creditors other than micro and small enterprises	141	35	0	1	-	177
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total trade payables as at 31 March 2025	**149**	**38**	**0**	**1**	**0**	**187**

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 to note 37.

b) For details on transactions and balances with related party, refer to note 40.

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.

20 Other financial liabilities

Particulars	31 March 2026	31 March 2025
Current		
Dealer deposits	0	0
Rent deposit from related party (refer note 40)	19	19
Employee benefits payable	28	35
Capital Creditors	2	0
	49	**54**

21 Other liabilities

Particulars	31 March 2026	31 March 2025
Advance from customers		
- related party (refer note 40)	0	-
- Others	6	1
Statutory dues	18	24
	24	**25**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

22 Current tax liabilities (net)

Particulars	31 March 2026	31 March 2025
Provision for taxes including litigations	9	8
	9	8

A. The major components of income tax expense for the year are as under :

Particulars	31 March 2026	31 March 2025
i. Tax expense recognized in the Standalone Statement of Profit and Loss		
Current tax expense:		
Current tax on profit for the year	23	61
Short/(Excess) Provision of tax relating to earlier years	(2)	5
Deferred tax expense:		
Deferred tax expenses	5	(4)
Total tax expense recognized in the Standalone Statement of Profit and Loss	**26**	**62**
ii. Tax expense recognized in other comprehensive income		
Items that will not be reclassified to profit and loss		
Re-measurement of defined benefit plan	1	(0)
Items that will be reclassified to profit and loss		
Total tax expense recognized in other comprehensive income	**1**	**(0)**
Total tax expense	**27**	**62**

B. Reconciliation of tax expense and the accounting profit for the year is under:

Particulars	31 March 2026	31 March 2025
Accounting Profit before income tax expenses	126	255
Enacted tax rate in India (%)	25.17%	25.17%
Expected income tax expense	32	64
Tax effect of :		
Expenses which are permanent disallowance		
CSR Expenses	1	1
MSMSE Interest disallowed	1	0
Tax relating to earlier years	(2)	5
Deduction under Section 80JJAA of Income Tax act,1961	-	(1)
MSME allowed on payment basis	0	(2)
Deduction under Section 35D of Income Tax Act, 1961	(5)	(5)
Others	(0)	(0)
Income tax expenses	**26**	**62**
Effective tax rate (%)	**21%**	**24%**

23 Revenue from operations

Particulars	31 March 2026	31 March 2025
Sale of products	1,986	2,175
	1,986	**2,175**

Refer note 40 for transaction with related parties

Reconciliation of amount of revenue recongised in Standalone Statement of Profit and Loss with contracted price:

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

23 Revenue from operations (Contd..)

Particulars	31 March 2026	31 March 2025
Sale of products		
Contract price	1,986	2,175
Revenue recognised	**1,986**	**2,175**
ii. Contract balances:		
a. Contract assets- Trade receivables (refer note 11)	305	287
b. Contract liabilities- Advance received from customers (refer note 21)	6	1

Performance obligation

Information about the Company's performance obligations are summarised below:

Sales as original equipment manufacturer

i. The performance obligation is satisfied upon delivery of the goods on ex-works basis at the Company's manufacturing facility.

ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-40 days.

iii. In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Sales to related party

i. The performance obligation is satisfied upon delivery of the good to customer.

ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-60 days.

iii. In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Revenue from customers individually contributing more than 10% of the Company's revenue aggregates to Rs. 1,468 million (year ended 31 March 2025 : Rs. 1,357 million) from 3 customers (year ended 31 March 2025: 2 customers).

24 Other income

Particulars	31 March 2026	31 March 2025
Interest income on		
- Bank deposits	115	112
- Intercorporate loans (refer note below)	-	1
- Unwinding of security deposit	3	3
- Letter of credit margin	0	0
Realised gain on sale of mutual funds	7	-
Rent including lease rentals (refer note 34)	60	61
Foreign exchange difference (net)	(1)	5
Liabilities no longer required written back	1	1
Hire charges income	10	10
Profit on sale of property, plant and equipment (net)	0	0
Cross charge income	46	39
Unrealised gain on mutual fund	1	
Miscellanous Income	1	4
	243	**236**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

24 Other income (Contd..)

Note:

Particulars	31 March 2026	31 March 2025
Interest income at amortised cost method considering market rate of interest @ 12.7% p.a. on related party loan	-	1

* Although interest is 12.7% (31 March 2025 12.7% p.a.) from the Subsidiary Company which amounts to Rs. Nil (31 March 2025: Rs. 1 millions) based on Company's accounting policy, interest expense is recognised based on effective interest rate method considering the market rate of interest of 12.70% p.a. (31 March 2025 12.70% p.a.) on related party loan.

25 Cost of materials consumed

Particulars	31 March 2026	31 March 2025
Inventories at the beginning of the year (refer note 10)	380	407
Add : Purchases made during the year		
- related party (refer note 40)	13	58
- others	1,121	1,152
	1,514	**1,617**
Less : Inventories at the end of the year (refer note 10)	368	380
Total cost of materials consumed	**1,146**	**1,237**

26 Changes in stock of finished goods and work-in-progress

Particulars	31 March 2026	31 March 2025
Inventories at the end of the year (refer note 10)		
Finished goods (traded)	7	20
Finished goods (manufactured)	37	26
Work-in-progress	47	37
	91	**83**
Inventories at the beginning of the year		
Finished goods (traded)	20	28
Finished goods (manufactured)	26	25
Work-in-progress	37	57
	83	**110**
	(8)	**27**

27 Employee benefit expenses

Particulars	31 March 2025	31 March 2024
Salaries, wages and bonus	242	246
Share based payment expenses (refer note 48)	1	8
Contribution to provident and other funds (refer note 35)	11	11
Staff welfare expenses	10	15
Gratuity expense (refer note 35)	6	4
	270	**284**

28 Finance costs

Particulars	31 March 2026	31 March 2025
Interest on-		
- Working capital facilities	-	11
- Term loan	0	0

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

28 Finance costs (Contd..)

Particulars	31 March 2026	31 March 2025
- Lease liabilities	64	38
- Micro and small enterprises	2	1
- Others	-	-
Processing fees for working capital borrowings	0	-
Borrowing cost on asset retirement obligation	2	2
	68	**52**

29 Depreciation and amortisation expenses

Particulars	31 March 2025	31 March 2024
Depreciation on property, plant and equipment (refer note 4)	54	54
Amortization of intangible assets (refer note 4a)	17	10
Depreciation on right of use assets (refer note 5)	71	60
	142	**124**

30 Other expenses

Particulars	31 March 2026	31 March 2025
Advertisement and business promotion	133	113
Rent including lease rentals (refer note 34)	12	6
Carriage outwards	16	16
Power and fuel	15	14
Expenditure on Corporate Social Responsibility (CSR) (refer note 47)	4	4
Travelling and conveyance	14	15
Security charges	6	7
Repairs and maintenance		
- Plant and machinery	1	1
- Others	32	25
Legal and professional charges	28	25
Rates and taxes	5	8
Job work charges	155	157
Bank charges	2	1
Communication expenses	3	4
Insurance expenses	15	11
Sales commission	0	4
Audit remuneration (refer note below)	5	5
Director sitting fees	3	3
Provision for expected credit loss (refer note 11)	(1)	0
Provisions for warranty (refer note 42)	13	7
Miscellaneous expenses	10	6
	471	**432**
Note:		
Audit remuneration (net of GST credit)		
- statutory audit fees	5	5
- reimbursement of expenses	0	0
	5	**5**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

31 Deferred Tax Assets (net)

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2026

Particulars	As at 31 March 2025	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2026
Tax effect of item constituting deferred tax liabilities				
Property plant and equipment	-	(20)	-	(20)
Total	**-**	**(20)**	**-**	**(20)**
Tax effect of item constituting deferred tax assets				
Property plant and equipment	1	(1)	-	-
Provision for employee benefit expenses	3	2	(1)	5
Provision for bonus	3	(2)	-	1
Provision for expected credit loss	9	(1)	-	8
Lease Liabilities (net)	35	10	-	45
Others	2	5	-	7
Total	**53**	**14**	**(1)**	**66**
Net deferred tax assets	**53**	**(5)**	**(1)**	**46**

As at 31 March 2025

Particulars	As at 31 March 2024	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2025
Tax effect of item constituting deferred tax assets				
Property plant and equipment	(0)	1	-	1
Provision for employee benefit expenses	1	2	0	3
Provision for bonus	2	1	-	3
Provision for expected credit loss	9	0	-	9
Lease Liabilities (net)	33	2	-	35
Others	4	(2)	-	2
Total	**49**	**4**	**0**	**53**
Net deferred tax assets	**49**	**4**	**0**	**53**

32 Financial risk management objectives and policies

Risk management framework

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

32 Financial risk management objectives and policies (Contd..)

Foreign currency risk management

The Company's functional currency in Indian Rupees (INR). The Company 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 Company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars and Euro;

During the current year there are no exports, however the Company has imported leather and other raw materials which is subject to foreign exchange risk.

Refer note 38 for foreign currency risk exposure as at standalone balance sheet date.

Commodity price risk

The Company doesn’t enter into any long term contract with its suppliers for hedging its commodity price risk.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is exposed to credit risk from its operating activities mainly trade receivables. The Company 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 Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for doubtful receivables has been historically negligible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at 31 March 2026 and 31 March 2025 is considered to be adequate.

Particulars	31 March 2026		31 March 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
More than 1 year	305	33	285	36
Expected credit losses (Loss allowance provision)	(0)	(33)	(1)	(33)
Carrying amount of trade receivables (net of expected credit losses)	**305**	**(0)**	**284**	**3**

Movement in credit loss allowances

Particulars	Amount
As at 1 April 2024	**34**
Movement during the year	0
As at 31 March 2025	**34**
Movement during the year	(1)
As at 31 March 2026	**33**

b) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company'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 Company's short-term, medium-term and long-term funding. The Company 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

32 Financial risk management objectives and policies (Contd..)

As at 31 March 2026

Financial liabilities	Due within (years) Less than 1 year	1 - 3 years	3+ years	Total
Trade payables (refer note 19)	287	-	-	**287**
Other financial liabilities (refer note 20)	49	-	-	**49**
Lease liability (refer note 34)	121	256	898	**1,275**
Borrowings (refer note 17)	1	3	-	**4**
	458	**259**	**898**	**1,615**

As at 31 March 2025

Financial liabilities	Due within (years) Less than 1 year	1 - 3 years	3+ years	Total
Trade payables (refer note 19)	187	-	-	**187**
Other financial liabilities (refer note 20)	54	-	-	**54**
Lease liability (refer note 34)	36	121	247	**404**
	277	**121**	**247**	**645**

c) 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 Company 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 Company are principally denominated in rupees at floating rates of interest.

Total borrowings as at the standalone Balance Sheet date is as follows:

Financial liabilities	31 March 2026	31 March 2025
Term loan (including current maturities) (refer note 17)	4	-
Total	**4**	**-**

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liabilities 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 Company's profit for the year ended 31 March 2026 would decrease / increase by Rs 0.01 million (for the year ended 31 March 2025: decrease / increase by Rs 0.11 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

d) Capital management

The Company's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Company. The Company 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 2026	31 March 2025
Borrowings (including current maturities) (refer note 17)	4	-
Less:		
Cash and cash equivalents (refer note 12)	54	326
Bank balances other than cash and cash equivalents (refer note 13)	1,294	777
Net debt	**(1,343)**	**(1,103)**
Total equity	4,180	4,066
Capital gearing ratio	**(0.32)**	**(0.27)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as 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 standalone financial statements.

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 standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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 standalone 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	31 March 2026			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Investments in subsidiaries (refer note 6)	3	1,310	-	1,310	1,310
(b) Other financial assets (refer note 7A)					
- Security deposit including bank deposit	3	170	-	170	170
- Others	3	119	-	119	119
(c) Investment in mutual funds (refer note 6)	1	-	47	47	47
(d) Trade receivables (refer note 11)	3	305	-	305	305
(e) Cash and cash equivalents (refer note 12)	3	54	-	54	54
(f) Bank balances other than (e) above (refer note 13)	3	1,294	-	1,294	1,294
Total		**3,252**	**47**	**3,299**	**3,299**
Financial liabilities					
(a) Borrowings (refer note 17)	3	4	-	4	4
(b) Trade payables (refer note 19)	3	287	-	287	287
(c) Lease liabilities (refer note 34)	3	827	-	827	827
(d) Assets retirement obligations (refer note 4d)	3	35	-	35	35
(e) Other financial liabilities (refer note 20)	3	49	-	49	49
Total		**1,203**	**-**	**1,203**	**1,203**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 Financial instruments (Contd..)

Particulars	Level	31 March 2025			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
(a) Investments in subsidiaries (refer note 6)	3	812	-	812	812
(b) Other financial assets (refer note 7A)					
- Security deposit including bank deposit	3	789	-	789	789
- Others	3	109	-	109	109
(c) Trade receivables (refer note 11)	3	287	-	287	287
(d) Cash and cash equivalents (refer note 12)	3	326	-	326	326
(e) Bank balances other than (e) above (refer note 13)	3	777	-	777	777
Total		**3,099**	**-**	**3,099**	**3,099**
Financial liabilities					
(a) Trade payables (refer note 19)	3	187	-	187	187
(b) Lease liabilities (refer note 34)	3	404	-	404	404
(c) Assets retirement obligations (refer note 4d)	3	28	-	28	28
(d) Other financial liabilities (refer note 20)	3	54	-	54	54
Total		**673**	**-**	**673**	**673**

Note:

The Company 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 Leases

Information on leases as per Ind AS 116 on "Leases":

The Company has lease contracts for factories, showrooms and office premises.

(a) Following are the changes in the carrying value of right of use assets :

Particulars	31 March 2026	31 March 2025
Opening balance	**317**	**377**
Additions/modifications	488	-
Deletions/adjustments	(2)	-
Depreciation	(71)	(60)
Closing balance	**732**	**317**

The aggregate depreciation is included under depreciation and amortisation expense in the standalone Statement of Profit and Loss:

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	31 March 2026		31 March 2025	
	Current	Non-current	Current	Non-current
Lease liabilities	49	778	36	368

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

34 Leases (Contd..)

(c) The following is the movement in the lease liabilities for the year ended 31 March 2026, 31 March 2025:

Particulars	Lease liabilities
As at 1 April 2025	**456**
Additions/modifications	1
Deletions	-
Finance costs	38
Lease rentals paid	(91)
Balance as at 31 March 2025	**404**
Additions/modifications	454
Deletions	
Finance costs	64
Lease rentals paid	(95)
Balance as at 31 March 2026	**827**

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2026, 31 March 2025 on an undiscounted basis

Particulars	31 March 2026	31 March 2025
Undiscounted future cash flows		
- Not later than 1 year	121	70
- Later than 1 year and not later than 5 years	626	346
- Later than 5 years	529	179

The Company 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) Rental expense recorded for short-term leases was Rs.12 million for the year ended 31 March 2026 (31 March 2025: Rs.6 million)

(f) Sub-lease income:

The Company has sub-let certain factory and showroom spaces that are renewable on a periodic basis. All leases are cancellable by providing sufficient notice. Rental income received during the period in respect of operating lease is Rs 60 millions (31 March 2025: Rs 61 millions).

35 Employee benefits

a. Defined contribution plan

The Company's contribution to defined contribution plan has been recognized as expense in the standalone Statement of Profit & Loss under the head employee benefit expense for the year are as under:

Particulars	31 March 2026	31 March 2025
Employer's contribution to provident fund and family pension fund	11	11
Employer's contribution to employees state insurance scheme	0	0
	11	**11**

b. Defined benefit plan - Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per The Code of Social Security, 2020 and the Company's scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The Company operates single type of gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days wages 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 standalone Statement of Profit & Loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

35 Employee benefits (Contd..)

Particulars	31 March 2026	31 March 2025
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	27	21
Interest cost	2	2
Current service cost	6	4
Past Service Cost (Refer note d below)	14	(0)
Benefits paid directly from employer	-	(1)
Benefits paid from the fund	(1)	
Actuarial (gains)/losses on obligations		
Due to change in financial assumptions	(2)	1
Due to experience	(1)	(0)
Closing defined benefit obligation	**45**	**27**
ii) Changes in fair value of plan assets during the year:		
Opening fair value of planned assets	24	22
Interest income	2	2
Contributions by employer	(2)	-
Benefits paid	(1)	(1)
Return on plan assets, excluding interest income	-	1
Closing fair value of plan assets	**23**	**24**
iii) Net asset/(liability) recognized in the standalone Balance Sheet:		
Present value of benefit obligation at the end of the year	(45)	(27)
Fair value of plan assets at the end of the year	23	24
Net asset/(liability) recognized in the standalone balance sheet	(22)	(3)
Current Liablity	16	3
Non- Current Liability	**6**	**-**
iv) Expenses recognized in the Standalone Statement of Profit and Loss for the year:		
Current service cost	6	4
Net interest Cost	0	0
Past service cost (Refer note d below)	14	-
Expenses recognized in Standalone Statement of Profit and Loss	**20**	**4**
v) Recognized in Standalone other comprehensive income (OCI) for the year:		
Actuarial (gains)/losses on obligations:		
Due to change in demographic		-
Due to change in financial assumptions	(2)	1
Due to experience	(1)	(0)
Return on plan assets, excluding interest income	-	(1)
Net (income)/expense for the period recognized in Standalone OCI	**(3)**	**(0)**
vi) Actuarial assumptions:		
Expected return on plan assets	7%	7%
Rate of discounting	7%	7%
Rate of salary increase	10%	10%
Rate of employee turnover	10%	10%
vii) Maturity profile of defined benefit obligation:		
1st following year	6	4
2nd following year	4	2
3rd following year	7	2
4th following year	5	3
5th following year	4	3
Sum of years 6 to 10	16	9
Sum of years 11 and above	41	25

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

35 Employee benefits (Contd..)

Particulars	31 March 2026	31 March 2025
viii) Standalone Balance Sheet reconciliation:		
Opening net liability	3	(1)
Expenses recognized in standalone Statement of Profit or Loss	6	4
Expenses recognized in standalone OCI	(3)	(0)
Benefit paid directly by the employer	-	(0)
Past service cost	14	-
Employer's contribution	2	-
Net liability/(asset) recognized in the Standalone Balance Sheet	**22**	**3**
ix) Category of assets:		
Insurance fund	23	24

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 2026	31 March 2025
Defined Benefit Obligation on Current Assumptions	45	27
Delta Effect of +1% Change in Rate of Discounting	(3)	(2)
Delta Effect of -1% Change in Rate of Discounting	3	2
Delta Effect of +1% Change in Rate of Salary Increase	3	2
Delta Effect of -1% Change in Rate of Salary Increase	(2)	(2)
Delta Effect of +1% Change in Rate of Employee Turnover	(1)	(0)
Delta Effect of -1% Change in Rate of Employee Turnover	1	1

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 Standalone Balance Sheet.

The weighted average duration of the defined benefit obligation as at 31 March 2026 is 8 years (As at 31 March 2025: 8 years)

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	31 March 2025	31 March 2024
Compensated absences		
- Current (refer note 18)	2	7
	2	**7**

d. Effective November 21, 2025, the Government of India notified the four new Labour Codes, replacing the existing 29 labour laws. Based on the guidance issued by the Institute of Chartered Accountants of India, the Company has assessed and disclosed the incremental impact on its employee benefit liabilities arising from these changes.

In the standalone financial statements, the Company has recognised an incremental impact of Rs. 14 million for the year ended March 31, 2026 under “Exceptional item.”

The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of liability pertaining to employee benefits.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

36 Contingent liabilities and capital commitments (to the extent not provided for)

Particulars	31 March 2026	31 March 2025
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/deduction, expenses claimed & adjustments) (Refer note 2 below)	2	1
(b) Customs(relating to EPCG license)	-	8
(c) Atria mall case (Refer note 1 below)	26	26
(d) L'Oreal case (Refer note 3 below)	20	20
(e) Others (relating to consumer complains and other matters)	1	1
(ii) Capital commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	14	16
(iii) Corporate Guarantee		
- Stanley Retail Limited, Subsidiary Company	-	200
- Stanley OEM Sofas Limited, Subsidiary Company	70	70

Notes:

1. M/s Alif Enterprises & Ors. have filed suit against the Company for non payment of rent, hoarding and other maintenance charges for the space allocated in 'Atria Mall' which amounts to Rs. 26 millions. The Company has filed counter claim against M/s Alif Enterprises & Ors. for loss suffered due to the poor maintenance in 'Atria Mall'. The Management is of the opinion that the case would be settled favorably and hence there is no necessity to provide for any anticipated liability.

2. An order under Section 143(3) of the Income Tax Act, 1961 has been received invoking provision u/s 37 of Income Tax Act, 1961 disallowing certain expenses for assessment year 2021-2022. The demand is Rs 2 million and the Company has appealed against the same during the year ended 31 March 2022 by remitting 20% i.e. Rs 0.28 million under dispute.

3. L'Oreal filed a suit against the Company for Trademark Infringment and Passing off of their slogan "Because I'm worth It". The Company had filed a Rectification Petition against L'Oreal's Trademark Registration for the mark "L'Oreal Because I'm Worth It". 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.

37 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"

Particulars	31 March 2026	31 March 2025
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	43	9
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;	2	0
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	5	2
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.	-	-

* The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

38 Foreign currency risk exposure as at Standalone Balance Sheet date:

Particulars	31 March 2026		31 March 2025	
	Amount in Rs. Million	Amount in foreign currency Million	Amount in Rs. Million	Amount in foreign currency Million
Trade payables				
USD	(23)	(0)	(1)	(0)
Euro	(23)	(0)	(25)	(0)
GBP	-	-	(0)	(0)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	31 March 2026	31 March 2025
Payables- Foreign currency /INR		
Increase in INR	(0.46)	(0.26)
Decrease in INR	0.46	0.26

39 Segment information

The primary reporting of the Company has been made on the basis of Business Segments. The Company 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 Company allocates and assess the performance of the Company 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.

40 Related party transactions

40.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
Key Management Personnel (KMP)	Mr. Sunil Suresh- Managing Director
	Ms. Shubha Sunil- Whole Time Director
	Mr. Venakataramana Seshagirirao Gorti (w.e.f 16 December 2025)
	Mr. Akash Shetty - Company Secretary (until 19 June 2025)
	Mr. R R Naik - Company Secretary and Compliance Officer (w.e.f 13 August 2025 until 08 April 2026)
	Mr. Mukesh Sharma - Company Secretary and Compliance Officer (w.e.f 08 April 2026)
	Mr. Pradeep Mishra - Chief Financial Officer (until 13 August 2025)
	Mr. J K Sharath - Chief Financial Officer (w.e.f 13 August 2025 until 31 March 2026)
Other Directors	Mr. Girish Shrikrishna Nadkarni, Independent Director
	Ms. Anusha Shetty- Independent Director (w.e.f., 22 August 2023)
	Ms. Sonakshi Sunil - Director (w.e.f. 14 August 2024 until 16 December 2025)

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

40 Related party transactions (Contd..)

Description of relationship	Names of related parties
Relative of KMP	Mr. Saahas Sunil
Entities in which KMP / Relatives of KMP can exercise significant influence	SASS Kitchens
	Stanley Estates & Leisure
	Design Eight Private Limited (until 13 August 2025)

40.b Particular of transactions with related parties during the year

Particulars	Relationship	For the year ended 31 March 2026	For the year ended 31 March 2025
Stanley Retail Limited	**Subsidiary**		
Sales		788	883
Cross charge income		93	92
Rental Income		43	44
Purchases		10	6
Investment made during the year		500	480
Common Expenses		1	0
Recovery of expenses		-	0
Stanley OEM Sofas Limited	**Subsidiary**		
Sales		43	130
Cross charge income		25	16
Purchases		1	52
Interest on loan		-	1
Rental Income		17	17
Loan recovery		-	50
Sana Lifestyles Limited	**Step-down Subsidiary**		
Sales		57	61
Cross charge income		12	6
Shrasta Décor Private Limited	**Step-down Subsidiary**		
Sales		129	139
Reimbursement of expenses		-	0
Purchases		2	-
Cross charge income		13	11
Design Eight Private Limited	**Entities in which KMP / Relatives of KMP can exercise significant influence**		
Sales			1
ABS Seating Private Limited	**Subsidiary**		
Sales		191	142
Cross charge income		10	8
Other expenses		0	-
Staras Seating Pvt. Ltd.	**Step-down Subsidiary**		
Sales		211	211
Cross charge income		22	21
Reimbursement of expenses			-
Stanley Estates and Leisure	**Entities in which KMP / Relatives of KMP can exercise significant influence**		
Sales		0	3
Rental Expense		0	0
Perfume Business Acquisition		3	-
Sunil Suresh	**Key Managerial Personnel**		
Salary/Perquisites		19	19

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

40 Related party transactions (Contd..)

Particulars	Relationship	For the year ended 31 March 2026	For the year ended 31 March 2025
Shubha Sunil	**Key Managerial Personnel**		
Salary / Perquisites		21	19
Sales		-	0
Mr. Vishal Verma	**Other Directors**		
Sitting fees		-	0
Mr. Girish Nandkarni	**Other Directors**		
Sitting fees		1	1
Mrs. Anusha Shetty	**Other Directors**		
Sitting fees		1	1
Mr. Ramanujam Venkat Raghavan	**Other Directors**		
Sitting fees		1	1
Akash Shetty	**Key Managerial Personnel**		
Salary / Perquisites		0	2
Sonakshi Sunil	**Other Directors**		
Sitting fees		1	0
Pradeep Mishra	**Key Managerial Personnel**		
Salary / Perquisites		4	21
Mr. 'Venkataramana S G	**Key Managerial Personnel**		
Salary / Perquisites		5	-
Mr. 'R R Naik	**Key Managerial Personnel**		
Salary / Perquisites		1	-
Mr. J K Sharath	**Key Managerial Personnel**		
Salary / Perquisites		12	-

40.c Balances as at year end

Particulars	Relationship	31 March 2026	31 March 2025
ABS Seating Private Limited	**Subsidiary**		
Trade receivables		9	14
Investment		20	20
SASS Kitchens	**Entity in which KMP / Relatives of KMP can exercise significant influence**		
Trade receivables		6	6
Staras Seating Private Limited	**Step-down Subsidiary**		
Trade receivables		10	64
Stanley OEM Sofas Limited	**Subsidiary**		
Trade receivables		20	54
Rental deposit received		15	15
Investment		40	40
Corporate Guarantee		70	70
Stanley Retail Limited	**Subsidiary**		
Trade receivables		224	59
Investment		1,250	752
Rental deposit received		4	4
Corporate Guarantee		-	200
Sana Lifestyles Limited	**Step-down Subsidiary**		
Trade receivables		8	3
Scheek Home Interiors Limited	**Step-down Subsidiary**		
Trade receivables		21	21

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

40 Related party transactions (Contd..)

Particulars	Relationship	31 March 2026	31 March 2025
Shrasta Décor Private Limited	**Step-down Subsidiary**		
Trade receivables		-	72
Advance from customers		0	-
Stanley Estates and Leisure			
Trade receivables	**Entities in which KMP / Relatives of KMP can exercise significant influence**	1	0
Design Eight Private Limited	**Entities in which KMP / Relatives of KMP can exercise significant influence**		
Trade receivables		-	0
Sunil Suresh	**Key Managerial Personnel**		
Salary Payable		1	1
Shubha Sunil	**Key Managerial Personnel**		
Trade Payables		-	0
Salary Payable		1	1
Sonakshi Sunil	**Other Directors**		
Salary Payable		-	0
Pradeep Mishra	**Key Managerial Personnel**		
Advance against Salary		-	0
Mr Vishan Varma	**Key Managerial Personnel**		
Director Sitting Fees payable		-	-
Mr. 'Venkataramana S G	**Key Managerial Personnel**		
Salary Payable		1	-
J K Sharath	**Key Managerial Personnel**		
Salary Payable		1	-
R R Naik	**Key Managerial Personnel**		
Salary Payable		0	-

41 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2026	31 March 2025
I. Basic earning per share		
Profits attributable to equity shareholders	100	193
Net profit for calculation of basic and diluted EPS	100	193
- No of equity share as at 31 March 2026/ 31 March 2025	5,71,25,663	5,71,07,158
Weighted average number of equity shares in calculating basic EPS	5,71,20,897	5,57,15,151
Basic earning per share in Rs.	1.75	3.46
II. Diluted earning per share		
Weighted average number of equity shares outstanding at the end of the year	5,71,20,897	5,57,15,151
Weighted average number of shares under Employee Stock Options	1,37,215	2,79,412
Less: Weighted average number of equity shares in calculating Diluted EPS	(57,436)	(85,991)
Diluted earning per share in Rs.	1.75	3.45

42 Provision for warranty

The Company 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 2026 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

42 Provision for warranty (Contd..)

Particulars	31 March 2026	31 March 2025
Balance as at the beginning of the year	6	7
Add: Charge for the year	13	7
Less: Utilised during the year	(5)	(8)
Balance as at the year end	**14**	**6**
Provisions - current	**14**	**6**

43 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 220 million (as at 31 March 2025 Rs. 220 million) are secured by bank deposit of Rs. 250 million (31 March 2025: Rs 250 million).

The Quarterly statements of receivables, payables, inventories and sales filed with the banks against the borrowings obtained by the Company are in agreement with the books of account.

44 Registration or satisfaction of charge

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

45 Significant accounting ratios

The following are analytical ratios for the year ended 31 March 2025 and 31 March 2024:

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	% of change	Reason
Current ratio	Current assets	Current liabilities	5	6	-16%	-
Debt- equity ratio	Total debt[1]	Shareholder's equity	0	0	100%	Refer note (ii) below
Debt- service coverage ratio	Earnings available for debt service[2]	Debt service[3]	3	3	16%	-
Return on equity ratio	Net profits after taxes	Average shareholder's equity	2%	6%	-62%	Refer note (iii) below
Inventory turnover ratio	Cost of goods sold	Average inventory	2	3	-4%	-
Trade receivables turnover ratio	Revenue from operations[4]	Average trade receivable	7	5	35%	Refer note (i) below
Trade payables turnover ratio	Total purchase[5]	Average trade payables	7	6	5%	-
Net capital turnover ratio	Revenue from operations4	Working capital[6]	1	1	-18%	-
Net profit ratio	Net Profit after taxes	Revenue from operations[4]	5%	9%	-43%	Refer note (iii) below
Return on capital employed	Earning before interest and taxes	Capital employed[7]	5%	7%	-39%	Refer note (iii) below
Return on investment	Income generated from investments	Weighted average Investments	33%	NA	NA	Due to new investments durring the year

[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, plant and 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

45 Significant accounting ratios (Contd..)

Explanations for variances change more than 25%:

i. Increase in revenue of the Company during the year has resulted in movement in this ratio.

ii. Increase in lease liabilities of the Company during the year has resulted in movement in this ratio.

iii. Decrease in profitability of the Company during the year has resulted in movement in this ratio.

46 Relationship with struck of companies

The Company has not entered any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies,1956.

47 Details of Corporate Social Responsibility (CSR) expenditure

Particulars	31 March 2026	31 March 2025
(a) Gross amount required to be spent by the Company during the year as per Section 135 of the Act.	**4**	**4**
(b) Amount spent during the year:		
(i) Construction / Acquisition of any asset		-
(ii) On purposes other than (i) above (Promotion of education and prevention of child labor)	4	4
c) Details related to spent / unspent obligation		
(i) Construction / Acquisition of any asset	-	-
(ii) Unspent amount relating to		
- Ongoing project*	-	-
- Other than ongoing project*	-	-

Details of other than ongoing project

31 March 2026

Opening balance	Amount required to be spent during the year	Amount spent during the year		Closing balance	
In separate CSR unspent account		From Company's bank account	From Separate CSR unspent account	With Company	In separate CSR unspent account
-	4	(4)	-	-	-

31 March 2025

Opening balance	Amount required to be spent during the year	Amount spent during the year		Closing balance	
In separate CSR unspent account		From Company's bank account	From Separate CSR unspent account	With Company	In separate CSR unspent account
2	4	-	(6)	-	-

Movement in provision for CSR:

Particulars	31 March 2026	31 March 2025
Balance at the beginning of the year	-	7
Provision made during the year	4	4
Refund received for non utilising the amount	-	-
Provision utilised during the year	(4)	(11)
Balance at the end of the year	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

48 Employee Stock Options

Employee Stock Option Plan 2022 ("ESOP 2022")

The Company 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 Company has granted options to the employees of the Company and employees of subsidiary Company and Companies forming part of the Company, 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	Bucket C	Bucket D	Leadership Grant
Date of grant	16 November 2022	16 November 2022	04 January 2024	12 February 2025	'26 May 2025, 28 August 2025 & 11 February 2026
No. of options granted	36,662	4,565	1,80,836	3,374	11,85,122
No. of options granted post impact of split of equity shares and issue of equity bonus shares	2,56,634	32,028	1,80,836	3,374	11,85,122
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30% subject to Company's and Individual's performance. However, 482 options to be vested in a years time subject to Company's and Individual's performance	1. 5 years vesting with 20% options vesting each year and is linked to continued service with the Company. 2. 4 years vesting with 25% options vesting each year and is linked to continued service with the Company.
Exercise period	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The vested options can be exercised with 1 year or such other period as determined by Compensation Committee from the date of vesting.
Vesting conditions	Continues services and performance	Continues services and performance	Continues services and performance	Continues services and performance	Continues services and performance

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

48 Employee Stock Options (Contd..)

Particulars	Stanley Lifestyle Stock Option plan 2022				
	Bucket A	Bucket B	Bucket C	Bucket D	Leadership Grant
Exercise price per option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs. 850	Rs. 10	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	NA
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs. 901	Rs. 1,403	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192	NA
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	Rs. 236.90
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares	Rs.129	Rs 200	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192	Rs. 107.48

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

48 Employee Stock Options (Contd..)

Movement in stock options during the year

Particulars	Bucket A			Bucket B			Bucket C			Bucket D			Leadership Grant	
	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	Weighted average	31 March 2025
Opening balance	1,28,486	850	2,23,153	18,182	10	32,028	1,29,852	135	1,80,836	2,892	156	-	-	-
Granted during the year	-	-	-	-	-	-	-	135	-	-	-	12,51,020	237	-
Granted during the year	-	121	-	-	2	-	-	-	-	-	-	-	-	-
Forfeited during the year	(48,921)	121	(15,288)	(3,068)	2	(3,289)	(68,810)	135	(50,984)	(2,892)	156	(6,58,508)	237	-
Exercised during the year*	(865)	121	(79,379)	(428)	2	(10,557)	(17,212)	-	-	-	-	-	-	-
Outstanding at the end of the year	**78,700**	**121**	**1,28,486**	**14,685**	**2**	**18,182**	**43,830**	**135**	**1,29,852**	**-**	**347**	**5,92,512**	**-**	**-**

* Weighted average exercise price for options exercised during the year Rs.114.38 (31 March 2025: Rs. 121).

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	As at 31 March 2026					As at 31 March 2025			
	Bucket A	Bucket B	Bucket C	Bucket C	Leadership Grant	Bucket A	Bucket B	Bucket C	Bucket D
Exercise price of options granted during the period/year ended	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	Rs. 236.90	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156
Risk free rate of return	7.32%	7.32%	7.25%	6.75%	6.23%	7.32%	7.32%	7.25%	6.75%
Life of the options granted (vesting and exercise period) in years	4 years	4 years	4 years	4 years	4 years	4 years	4 years	4 years	4 years
Volatility	16.06%	16.06%	50.00%	50.00%	50.00%	16.06%	16.06%	50.00%	50.00%

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

48 Employee Stock Options (Contd..)

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Expense arising from equity-settled share-based payment transactions	1	8

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(i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(iii) The Company has not traded or invested in crypto currency or virtual currency during the financial period.

(iv) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(v) The Company 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).

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A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (intermediaries) other than as disclosed in the financial statements 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 Company (ultimate beneficiaries) or

2) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company 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 Company 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.

51 The Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility, however, the same has not been enabled throughout the year for all relevant transactions recorded in the software. The Company is in process of implementing the changes in line with the regulations. The Company has not preserved the audit trail that was enabled and operated as per the statutory requirements for record retention.

Notes to the Standalone Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

52 The Company has received an amount of Rs. 1,839 million (net off IPO expense of Rs 161 million) from proceeds out of fresh issue of equity shares. The utilization of the net IPO proceeds is summarized as below:

Objects of issue as per prospectus	31 March 2026		
	Amount to be utilized as per prospectus	Utilization up to 31 March 2026	Un-utilized amount as on 31 March 2026
1. Investment in certain subsidiaries, having retail operations for: a. opening of new stores by such subsidiaries b. opening the anchor stores by such subsidiaries c. renovation of the existing stores by such subsidiaries	1,402	655	747
2. Funding the capital expenditure requirements for purchase of new machinery and equipment by the Company and its material subsidiary, Stanley OEM Sofas Limited.	67	67	-
3. General corporate purposes	371	338	33
Total	**1,840**	**1,059**	**780**

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(i) Proceeds from issue of shares on account of IPO includes recoveries towards the share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 14 million (31 March 2025: Rs 223 million).

(ii) Share issue expenses on account of IPO includes payments towards share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 14 million (31 March 2025: Rs 164 million).

54 All amounts disclosed in this standalone financial statements and notes to standalone financial statements have been rounded off to the nearest million, unless otherwise stated. 0 represents amounts less than Rs. 1 million.

55 The Company evaluated all events or transactions that occurred after 31 March 2026 up through 27 May 2026, the date the financial statements were authorized for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the standalone financial statements except for the event stated below:

The Board of Directors of the Company, at its meeting held on 27 May 2026 has in principal approved the proposed amalgamation of Stanley OEM Sofas Limited, Stanley Retail Limited, Sana Lifestyles Limited, Staras Seating Private Limited, and Shrasta Decor Private Limited (collectively referred to as "Transferor Companies") with Stanley Lifestyles Limited ("the Company"), together with their respective shareholders and creditors, with effect from 01 April 2026 being the appointed date. The amalgamation shall be accounted for under the "pooling of interest" method prescribed under Ind AS 103 (Business Combinations) for entities under common control.

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh
Chairman and Managing Director
DIN 01421517

Shubha Sunil
Whole Time Director
DIN 01363687

Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Consolidated Financial Statements

Independent Auditor's Report

To The Members of **Stanley Lifestyles Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Stanley Lifestyles Limited** (the Parent) and its subsidiaries, (the Parent Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31 March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon which are expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among

other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 520 million as at 31 March 2026, total revenues of ₹ 372 million and net cash inflows amounting to ₹ 14 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements subsidiaries referred to in the Other Matter section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group, including relevant records so far as it appears from our examination of those books and the reports of the other auditors, except (a) for not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India by a subsidiary, (refer Note 50A to the consolidated financial statements) and (b) in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) The modifications relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

    g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and four subsidiary companies, to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

       In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of three subsidiary companies incorporated in India, being private companies, Section 197 of the Act related to the managerial remuneration is not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 39 to the consolidated financial statements;

   ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, incorporated in India.

   iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 49A to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 49B to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries, shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

   vi) Based on our examination, which included test checks, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, one subsidiary company have used accounting software system for maintaining their respective books of account for the financial year ended 31 March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

      a) In respect of the Parent Company and two subsidiary companies, the accounting software did not have the audit trail feature enabled throughout the year.

      b) In respect of one subsidiary company, the accounting software did not have a feature of recording audit trail (edit log) facility.

      c) In respect of three subsidiary companies, migrated to a new accounting software during the year and the new accounting software did not have the audit trail feature enabled throughout the period from the date of migration (1 July 2025) to 31 March 2026. We are unable to comment on audit trail feature of the previous accounting software from 1 April 2025 to the date of migration as it is decommissioned and the management does not have access to the previous accounting software. (Refer note 50B to the consolidated financial statements)

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

Additionally, the audit trail that was enabled and operated, has been preserved, as per the statutory requirements for record retention.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1	Stanley Lifestyles Limited	L19116KA2007PLC044090	Parent	3(vii)(b)
2	Stanley Retail Limited	U52599KA2008PLC046573	Subsidiary	3(ii)(b)
3	Stanley OEM Sofas Limited	U74900KA2015PLC084973	Subsidiary	3(ii)(b)

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sandeep Kukreja
(Partner) (Membership No.220411)
(UDIN: 26220411OUDMQM3946)

Place: Bengaluru
Date: 27 May 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of **Stanley Lifestyles Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of the Company and its subsidiaries which are companies incorporated in India, as of that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a

basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sandeep Kukreja
(Partner)
(Membership No.220411)
(UDIN: 26220411OUDMQM3946)

Place: Bengaluru
Date: 27 May 2026

Consolidated Balance Sheet

as at 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	4(a)	925	893
Right of use assets	5	2,965	1,603
Capital work-in-progress	4(d)	242	376
Intangible assets	4(b)	417	53
Intangible assets under development	4(c)	14	9
Goodwill on consolidation	4(e)	26	26
Financial assets			
(i) Other financial assets	7	393	919
Deferred tax assets (net)	8	195	192
Current tax assets (net)	14	79	41
Other non-current assets	9	37	26
Total non-current assets		**5,293**	**4,138**
Current assets			
Inventories	10	1,354	1,404
Financial assets			
(i) Investments	6	205	-
(ii) Trade receivables	11	106	240
(iii) Cash and cash equivalents	12	243	477
(iv) Bank balances other than (iii) above	13	1,382	924
(v) Other financial assets	7	154	130
Other current assets	9	169	136
Total current assets		**3,613**	**3,311**
Total assets		**8,906**	**7,449**
Equity and liabilities			
Equity			
Equity share capital	15	114	114
Other equity	16	4,547	4,529
Total equity attributable to equity holders		**4,661**	**4,643**
Non controlling interest	16	60	112
Total equity		**4,721**	**4,755**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	8	7
(ii) Lease liabilities	35	2,798	1,633
(iii) Asset retirement obligations	4(f)	72	53
Provisions	18	29	12
Total non-current liabilities		**2,907**	**1,705**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	3	16
(ii) Lease liabilities	35	278	235
(iii) Trade payables			
a) Total outstanding dues to micro and small enterprises	19	56	31
b) Total outstanding dues of creditors other than micro and small enterprises	19	423	313
(iv) Other financial liabilities	20	87	65
Other current liabilities	21	351	277
Provisions	18	65	34
Current tax liabilities (net)	22	15	18
Total current liabilities		**1,278**	**989**
Total liabilities		**4,185**	**2,694**
Total equity and liabilities		**8,906**	**7,449**

The accompanying notes are integral part of these consolidated financial statements. 2

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
Chairman and
Managing Director
DIN: 01421517

Shubha Sunil
Whole Time
Director
DIN: 01363687

Venkataramana Seshagirirao Gorti
Joint Managing
Director
DIN: 08526382

Mukesh Sharma
Company Secretary
and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Place: Bengaluru
Date: 27 May 2026

Consolidated Statement of Profit and Loss

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars		Note No.	For the year ended 31 March 2026	For the year ended 31 March 2025
I	Revenue from operations	23	4,193	4,262
II	Other income	24	228	172
III	**Total income**		**4,421**	**4,434**
IV	**Expenses**			
	a) Cost of materials consumed	25	1,626	1,536
	b) Purchase of traded goods	26	119	280
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	25	47
	d) Employee benefits expenses	28	650	625
	e) Finance costs	29	256	182
	f) Depreciation and amortisation expenses	30	517	444
	g) Other expenses	31	1,019	956
V	**Total expenses**		**4,213**	**4,070**
VI	**Profit before exceptional item and tax (V-III)**		**209**	**364**
VII	**Exceptional item**			
	Impact of Labour Codes	37	33	-
VIII	**Profit before tax (VI-VII))**		**176**	**364**
IX	**Tax expenses**			
	a) Current tax	32	52	128
	b) Deferred tax charge/ (credit)	32	(3)	(64)
	c) Short/(excess) provision of tax relating to earlier years	32	(3)	8
	Total tax expenses		**46**	**72**
X	**Profit for the year**		**130**	**292**
	Profit/(Loss) attributable to non controlling interest	16	9	1
	Profit attributable to owners		121	291
XI	**Other comprehensive income (OCI)**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/ (losses) on defined benefit plans	37	6	1
	Income tax effect on above	32	(1)	(0)
	Other comprehensive income for the year, net of tax		**5**	**1**
	Other comprehensive income/(losses) attributable to non controlling interest		0	0
	Other comprehensive income attributable to owners	0	5	1
XII	**Total comprehensive income (net of tax) for the year**		**135**	**293**
	Total comprehensive income/(losses) attributable to non controlling interest		9	1
	Total comprehensive income attributable to owners		126	292
	Earnings per equity share in Rs. (nominal value per share Re. 2)			
	(a) Basic	43	2.12	5.22
	(b) Diluted	43	2.12	5.20

The accompanying notes are integral part of these consolidated financial statements.

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
Chairman and
Managing Director
DIN: 01421517

Shubha Sunil
Whole Time
Director
DIN: 01363687

Venkataramana Seshagirirao Gorti
Joint Managing
Director
DIN: 08526382

Mukesh Sharma
Company Secretary
and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Place: Bengaluru
Date: 27 May 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2026	For the year ended 31 March 2025
A Cash flows from operating activities:			
Profit before tax for the year		175	364
Adjustments for:			
Depreciation and amortisation expenses	30	518	444
Provision for expected credit loss (net)	31	(6)	11
Provision for supplier advances	31	(1)	10
Unrealised foreign exchange (gain)/ loss (net)		(1)	0
Liabilities no longer required written back	24	(2)	(3)
Provisions for warranty	31	14	7
Share based payment expenses	28	0	14
Profit on modification of leases	24	(51)	(4)
(Gain)/ loss on sale of property, plant and equipment (net)	24	(6)	(0)
Unrealized gain on mutual funds		(2)	-
Realised gain on sale of mutual funds	24	(7)	-
Finance costs	29	256	182
Interest income	24	(149)	(129)
Cash flows from operating activities before working capital changes		**739**	**896**
Change in assets and liabilities			
Adjustments for (increase)/ decrease in assets:			
Inventories		50	18
Trade receivables		140	6
Financial assets		(372)	(32)
Other assets		(33)	(18)
Adjustments for increase/ (decrease) in liabilities:			
Trade payables		154	(143)
Financial liabilities		(2)	65
Provisions		39	6
Other current liabilities		75	27
Cash generated from operations		**790**	**825**
Income taxes paid (net)		(91)	(142)
Net cash flow from operating activities		**699**	**683**
B Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress, capital advances and capital creditors)		(389)	(374)
Proceeds from sale of property, plant and equipment and intangible asset		44	1
Investment in intangible assets under development		(14)	7
Investment in mutual funds		(196)	-
Deposits with banks and financial institutions (placed)/ matured (net)		176	(1,227)
Interest received		74	51
Net cash used in investing activities		**(305)**	**(1,542)**
C Cash flows from financing activities			
Payment of lease rentals (refer note (a) below)	35	(239)	(225)
Interest on lease rentals (refer note (a) below)	35	(247)	(163)
Proceeds from short term borrowings (net) (refer note (a) below)		(12)	(248)
Interest paid on borrowings (refer note (a) below)		(2)	(14)
Proceed from issue of shares on account of IPO (refer note 52)		51	2,166
Share issue expenses on account of IPO (refer note 52)		(23)	(262)
Purchase of minority interest of subsidiary		(160)	-
Proceeds from issue of shares on account of ESOPs		3	11
Net cash from/ (used) in financing activities		**(629)**	**1,265**
Net increase /(decrease) in cash and cash equivalents		**(234)**	**406**

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Particulars	Note No.	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash and cash equivalents at the beginning of the year	12	477	71
Cash and cash equivalents at the end of the year		**243**	**477**
Details of Cash and cash equivalents			
Balances with banks			
(i) In current accounts	12	204	226
(ii) Fixed deposits with maturity of less than 3 months	12	36	250
(ii) Cash on hand	12	3	1
Cash and cash equivalents at the end of the year		**243**	**477**

Note:

a. Movement of liabilities arising from financing activities

As at 31 March 2026

Particulars	31 March 2025	Non-cash changes		Cashflows	31 March 2026
		Finance cost accrued during the year	Additions (Net)		
Borrowings	23	-	-	(12)	11
Lease liabilities	1,868	247	1,447	(486)	3,076
Interest on overdraft facility	-	2	-	(2)	-
Total	**1,891**	**249**	**1,447**	**(500)**	**3,087**

As at 31 March 2025

Particulars	31 March 2024	Non-cash changes		Cashflows	31 March 2025
		Finance cost accrued during the year	Additions (Net)		
Borrowings	271	-	-	(248)	23
Lease liabilities	1,772	163	321	(388)	1,868
Interest on overdraft facility	-	14	-	(14)	-
Total	**2,043**	**177**	**321**	**(650)**	**1,891**

b. Above cash flow statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

The accompanying notes are integral part of these consolidated financial statements.

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
Chairman and
Managing Director
DIN: 01421517

Shubha Sunil
Whole Time
Director
DIN: 01363687

Venkataramana Seshagirirao Gorti
Joint Managing
Director
DIN: 08526382

Mukesh Sharma
Company Secretary
and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Place: Bengaluru
Date: 27 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

A. Equity share capital

As at 31 March 2026

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
114	0	114

As at 31 March 2025

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
103	11	114

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 2024	**1,133**	**1,199**	**24**	**11**	**2,367**	**111**
Add / (Less):				-		
Profit for the year	-	291	-	-	291	1
Proceeds from initial public offer	1,845	-	-	-	1,845	-
Proceeds from ESOP	11	-	-	-	11	-
Transfer from ESOP outstanding owing to exercise of ESOPs	12	-	(12)	-	-	-
Share based payment expense	-	-	14	-	14	-
Re-measurement gain/loss defined benefit plans (net of tax)	-	-	-	1	1	0
As at 31 March 2025	**3,001**	**1,490**	**26**	**12**	**4,529**	**112**
Add / (Less):				-		
Profit for the year	-	121	-	-	121	9
Proceeds from initial public offer	9	-	-	-	9	-
Proceeds from ESOP	3	-	-	-	3	-
Transfer from ESOP outstanding owing to exercise of ESOPs	3	-	(3)	-	-	-
Share based payment expense	-	-	0	-	0	-
Loss on acquistion of non controlling interest in subsidiary	-	(120)	-	-	(120)	-
Re-measurement gain/loss defined benefit plans (net of tax)	-	-	-	5	5	0
Adjustment in change on account of change in non controlling interest	-	-	-	-	-	(61)
As at 31 March 2026	**3,016**	**1,491**	**23**	**17**	**4,547**	**60**

The accompanying notes are integral part of these consolidated financial statements.

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: 27 May 2026

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh
Chairman and Managing Director
DIN: 01421517

Shubha Sunil
Whole Time Director
DIN: 01363687

Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN: 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

1 General Information / Corporate information

Stanley Lifestyles Limited (""the Group"" or ""the Holding Group"" or ""SLL"" or ""Parent"") was incorporated on 11 October 2007 as a public limited Group under the provisions of the Companies Act with its registered office in Bengaluru, India. The Group 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 Group is incorporated and domiciled in India under the provisions of the Companies Act, applicable in India. The registered office of the Group 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 consolidated financial statements for the year ended 31 March 2026 were authorized by Board of Directors on 27 May 2026.

2 Basis of preparation and presentation of Consolidated Financial Statement

2.1 Material accounting policies adopted by the Group are as under:

(a) Basis of preparation and statement of compliance

The Consolidated Financial statement of the Group comprise of the Consolidated Balance sheet as at 31 March 2025, the Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Consolidated Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended 31 March 2026 and the summary of material accounting policies and explanatory notes (collectively, ""the Consolidated Financial Satement ').

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act').The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

Principles of Consolidation

The Consolidated Financial Statement comprise the financial statements of the Parent and its subsidiaries for the year ended 31 March 2026.

The Group 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 Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 Consolidated Financial Statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statement 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 consolidated financial information to ensure conformity with the group's accounting policies.

The Consolidated Financial Statement of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent for the year ended 31 March 2026.

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.

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 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 Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group 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 Group.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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.

Sl. No.	Name of the entity*	Relationship	Ownership at 31 March 2026 held by	% ownership held either directly or through subsidiaries	
				As at 31 March 2026	As at 31 March 2025
1	Stanley Retail Limited ("SRL")	Subsidiary	SLL	100.00%	100.00%
2	Stanley OEM Sofas Limited ("SOSL")	Subsidiary	SLL	100.00%	100.00%
3	ABS Seating Private Limited ("ABS")	Subsidiary	SLL	67.00%	67.00%
4	Scheek Home Interiors Limited ("Scheek")	Subsidiary	SRL	100.00%	100.00%
5	Shrasta Decor Private Limited ("Shrasta")**	Subsidiary	SRL	100.00%	55.95%
6	Sana Lifestyles Limited ("Sana")	Subsidiary	SRL	100.00%	100.00%
7	Staras Seating Private Limited ("Staras")	Subsidiary	SRL	100.00%	100.00%

*Country of incorporation - India

** with effect from 13 August 2025

(b) Basis of measurement

The Consolidated Financial Statement 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;

iii) Asset classified as held for sale;

iv) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of Defined Benefit Obligations ("DBO"); and

v) Expenses relating to share-based payments are measured at fair value on the date of grant.

All assets and liabilities have been classified as current or non-current as per the Group'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 Group 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 Consolidated financial statements 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 Consolidated Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Consolidated Balance Sheet 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 and Intangible assets

i) 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 property, plant and equipment are added to its book value only if they increase the future

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 Consolidated Balance Sheet date are disclosed as capital work in progress, net of impairment loss, if any.

d) Advances paid towards the acquisition of property, plant and equipment, outstanding at each Consolidated Balance Sheet date are disclosed as 'capital advances' under 'Other non-current assets'.

e) Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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 property, plant and equipment as per the useful life prescribed under Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are being amortised over the period of 10 years (useful life). 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.

ii) Intangible Assets

a) Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

b) An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

c) Intangible assets have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The intangible assets are amortised on a straight line basis upto the period of 72 months.

d) Intangible assets, which are acquired by the Company and have indefinite useful life are not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, and is carried at cost less accumulated impairment losses.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

2.3 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the Consolidated 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 (INR), which is the Group's 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 Consolidated Statement of Profit and Loss account .

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 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 Group measures financial instruments, such as, derivatives at fair value at each Consolidated Balance Sheet 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 Group.

The Group 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of Consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Group satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Group presents revenues gross of indirect taxes in its 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

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 consolidated statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss account (either in OCI or Other Equity.)

(b) Deferred tax

Deferred income tax is provided in full, using the Consolidated Balance Sheet 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 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's lease asset classes primarily consist 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the tenure of lease term

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 Group 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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

Stock of raw materials, stores, spares, bought out items and certain components are valued at cost less amounts written down.

Stock of certain aero structures, components, 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.

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 Group 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 Consolidated Statement of Profit and Loss account and reflected in an allowance account. When the Group 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 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 Consolidated Balance Sheet date.

These are reviewed at Consolidated Balance Sheet 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 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 Group 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

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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 interest on lease liability as per Ind As 116 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. The Management generally considers the period of 12 months or more as substantial period. All other borrowing costs are recognised as an expense in the 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 Consolidated Balance Sheet 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 Group with banks, which can be withdrawn by the Group 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 Group are segregated based on the available information.

2.14 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.

Notes to the Consolidated Financial Statements

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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 30 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

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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

(i) 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.

(ii) 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 EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

(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.

2.15 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

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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 Consolidated Balance Sheet .

(b) Defined contribution plan

The Group makes defined contribution to provident fund, which are recognised as an expense in the 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 Group has no further obligations. Such benefits are classified as defined contribution schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the 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 Code of Social Security, 2020. 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 wages. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Past service cost is recognized for the change in the present value of the Defined benefit obligation resulting from a plan amendment or curtailment. 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 consolidated profit and loss in the subsequent periods. Compensated absences are not to be carried forward beyond 12 months are paid monthly.

2.16 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 Group'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.

2.17 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 Group 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 Material accounting policies.

Thus, as defined in Ind AS 108 - Operating Segments, The Group operates in a single business segment of namely manufacture, trading and sale of automotive seating covers, furniture, fixtures and accessories

2.18 Business Combination

(i) Business combinations (common control business combinations):

Business combination involving entities that are controlled by the company are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values,or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

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- The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

- The balance of the retained earnings appearing in the standalone financial statements of the transferor is aggregated with the corresponding balance appearing in the standalone financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserve are preserved and the reserves of the transferor becomes the reserves of the transferee

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(ii) Business combinations (other than common control business combinations):

In accordance with Ind AS 103, the Company accounts for the business combinations (other than common control business combinations) using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

2.19 Exceptional items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately as Exceptional items.

2.20 Share-based payments

Equity instruments granted to the employees of the Company are measured by reference to the fair value of the instrument at the date of grant. The expense is recognised in the statement of profit and loss with a corresponding increase in equity (stock options outstanding account). The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortisation). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.21 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 Material accounting judgments, estimates and assumptions and recent pronouncements

The preparation of Consolidated Financial Statement 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.

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(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 47. 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 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.

(b) 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 Group 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 Group has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 32.

(c) 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. In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. 01 April 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. 01 April 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that there is no impact in its financial statements.

Notes to the Consolidated Financial Statements

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3.3 New and Revised Ind AS's in issue but not effective yet

At the date authorisation of these Consolidated financial statements, the Group has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Amendments to Ind AS 1 Presentation of Financial Statements: Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e., after the reporting date but before approval of the Consolidated financial statements) agrees not to demand payment.

The directors do not expect that the adoption of the standard listed above will have a material impact on the Consolidated financial statements of the Group in future periods.

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(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4(a) Property, plant and equipment

As at 31 March 2026

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at 1 April 2025	Additions	Deletions	As at 31 March 2026	As at 1 April 2025	Depreciation for the period	Deletions	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Leasehold improvements	764	120	45	839	212	89	18	283	556	552
Plant and machinery	233	47	-	280	74	29	-	103	177	159
Electrical equipment	98	14	6	106	23	10	2	31	75	75
Furniture and fixtures	64	15	3	76	11	7	1	17	59	53
Office equipment	34	6	-	40	15	6	-	21	19	19
Computers	30	7	4	33	19	6	2	23	10	11
Vehicles	33	9	4	38	9	4	4	9	29	24
Total	**1,256**	**218**	**62**	**1,412**	**363**	**151**	**27**	**487**	**925**	**893**

As at 31 March 2025

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at 1 April 2024	Additions	Deletions	As at 31 March 2025	As at 1 April 2024	Depreciation for the period	Deletions	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Leasehold improvements	684	81	1	764	135	77	0	212	552	549
Plant and machinery	166	67	0	233	49	25	0	74	159	117
Electrical equipment	86	12	0	98	13	10	0	23	75	73
Furniture and fixtures	56	13	5	64	9	7	5	11	53	47
Office equipment	24	10	-	34	10	5	-	15	19	14
Computers	23	7	0	30	12	7	0	19	11	11
Vehicles	33	-	-	33	4	5	-	9	24	29
Total	**1,072**	**190**	**6**	**1,256**	**232**	**136**	**5**	**363**	**893**	**840**

Note:

1. There has been no revaluation of property, plant and equipment during the financial year beginning from 1 April 2024 till year ended 31 March 2026.

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for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4(b) Intangible assets

As at 31 March 2026

Particulars	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at 1 April 2025	Additions	Disposal	As at 31 March 2026	As at 1 April 2025	Amortisation for the period	Deletions	As at 31 March 2026	As at 31 March 2026	As at 31 March 2025
Computer software	47	4	-	51	20	12	-	32	19	27
Licenses and Trademarks	32	382	5	409	6	6	1	11	398	26
Total	**79**	**386**	**5**	**460**	**26**	**18**	**1**	**43**	**417**	**53**

As at 31 March 2025

Particulars	Gross carrying value				Accumulated amortisation				Net carrying value	
	As at 1 April 2024	Additions	Disposal	As at 31 March 2025	As at 1 April 2024	Amortisation for the period	Disposal	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024
Computer software	42	5	-	47	13	7	-	20	27	29
Licenses and Trademarks	16	16	-	32	2	4	-	6	26	14
Total	**58**	**21**	**-**	**79**	**15**	**11**	**-**	**26**	**53**	**43**

Note:

1. There has been no revaluation of intangible assets during the financial year beginning from 1 April 2024 till year ended 31 March 2026.

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4(c) Intangible assets under development

As at 31 March 2026

Particulars	As at 1 April 2025	Additions	Deductions	As at 31 March 2026
New product under development	9	14	9	14
Total	**9**	**14**	**9**	**14**

As at 31 March 2025

Particulars	As at 1 April 2024	Additions	Deductions	As at 31 March 2025
New product under development	16	9	16	9
Total	**16**	**9**	**16**	**9**

Note:

1. The Group has incurred the above costs for the development of new design of sofas and furniture.

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 2025	9	-	-	-	9
As at 31 March 2026	14	-	-	-	14

Note:

1. 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(d) Capital Work in progress

As at 31 March 2026

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	242	-	-	-	242
Total	**242**	**-**	**-**	**-**	**242**

As at 31 March 2025

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*	1	375	-	-	376
Total	**1**	**375**	**-**	**-**	**376**

*The Parent Company has entered into an agreement on September 01, 2023 with Mr. Sunil Suresh (Managing Director of the Company) to purchase the 'Stanley' Trademark and Copyright at an agreed price of Rs. 443 million (inclusive of GST). The Company had applied for the registration of a trademark in the name of the Company on 19 August 2023. During the year ended 31 March 2026, majority of the Trademarks and Copyrights were registered. Accordingly, the Company has capitalised these Trademarks during the year ended 31 March 2026.

Note:

1. 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

4(e) Goodwill on consolidation

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	**26**	**26**
Adjustment during the year	-	-
Closing balance	**26**	**26**

4(f) Assets retirement obligations

Particulars	As at 31 March 2026	As at 31 March 2025
Assets retirement obligations	72	53

5 Right of use Assets (refer note 35)

Particulars	Amount
Gross carrying amount	
As at 1 April 2024	**2,548**
Additions	360
Deductions	(23)
Balance as at 31 March 2025	2,885
Additions	1,970
Deductions	(375)
Capitalised	-
Balance as at 31 March 2026	**4,480**
Accumulated depreciation	
As at 1 April 2024	**991**
Additions	297
Deductions	(6)
Balance as at 31 March 2025	**1,282**
Additions (Note 1) refer below	349
Deductions	(171)
Capitalised	55
Balance as at 31 March 2026	**1,515**
Net carrying amount	
Written down value as at 31 March 2025	**1,603**
Written down value as at 31 March 2026	**2,965**

Note:

1. The aggregate depreciation expense in right-of use assets is included under the depreciation and amortisation expense in the 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 2024 till year ended 31 March 2026.

6 Investments

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Investment in mutual funds- Fair valued through profit and loss		-
DSP Overnight Fund (16,848.32 units @ value per unit of Rs. 1,434.46)	24	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

6 Investments (Contd..)

Particulars	As at 31 March 2026	As at 31 March 2025
SBI Overnight Fund (34,877.66 units @ value per unit of Rs. 4,320.93)	151	
ICICI Pru Savings Fund (52,678.42 units @ value per unit of Rs. 569.02)	30	
	205	**-**
Aggregate market value of quoted investments	205	

7 Other financials assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(Unsecured, considered good)		
Security deposits at amortised cost		
- Others	269	161
Bank deposits with more than 12 months maturity	124	758
	393	**919**
Current		
(Unsecured, considered good)		
Security deposits		
- related party (refer note 38)	-	1
- Others	23	15
Interest accrued on fixed deposits	126	72
Other receivables	-	42
Other Advances	5	0
Advance to employees	0	0
	154	**130**

8 Deferred tax assets (refer note 32)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred tax liability:		
Property plant and equipment	(21)	-
	(21)	**-**
Deferred tax assets:		
Property plant and equipment	-	9
Elimination of unrealised profits	34	34
Provision for compensated absences	16	8
Provision for expected credit loss	14	15
Provision for warranties	3	-
Provision for bonus	2	6
Provision for doubtful advance	3	3
Lease liabilities (net)	132	102
Carry forward losses of subsidiaries	-	5
Others	12	10
	216	**192**
Deferred tax assets (net)	**195**	**192**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

9 Other assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
(Unsecured, considered good)		
Dues paid under protest	7	7
Capital advances	29	18
Prepaid expenses	1	1
	37	**26**
Current		
(Unsecured, considered good)		
Advances to suppliers	97	71
Prepaid expenses*	25	29
Balance with statutory/ government authorities	47	36
Advance to employees	0	-
(Unsecured considered doubtful)		
Advances to suppliers	10	11
Less: Provision for supplier advances	(10)	(11)
	-	-
	169	**136**

***Note:** Prepaid expenses includes amount of Rs. Nil (as at 31 March 2025: Rs 15 millions) that are pertaining to IPO related expenses which will be set off against Share premium or recovered from the selling shareholders.

10 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2026	As at 31 March 2025
Raw materials (at cost)*	466	492
Work-in-progress	55	44
Finished goods(traded and manufactured)**	833	868
	1,354	**1,404**

* including goods in transit of Rs.83 million (31 March 2025 Rs. 48 million)

** including goods in transit of Rs. 15 million (31 March 2025: Rs Nil)

11 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Unsecured, considered good		
- related party (refer note 38)	1	67
- others	109	183
	110	**250**
Unsecured, considered doubtful		
Credit impaired		
- related party (refer note 38)	6	6
- others	23	23
	29	**29**
Less: Allowance for expected credit loss ("ECL")	(33)	(39)
	106	**240**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

11 Trade receivables (Contd..)

A. Trade receivables ageing schedule as at 31 March 2026

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	110	-	-	-	110
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	0	6	5	18	29
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**110**	**6**	**5**	**18**	**139**
Less: Allowance for credit loss	(4)	(6)	(5)	(18)	(33)
Total trade receivables as at 31 March 2026	**106**	**-**	**-**	**-**	**106**

B. Trade receivables ageing schedule as at 31 March 2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	238	6	6	-	250
Undisputed trade receivables- increase in credit risk	-	-	-	-	-
Undisputed trade receivables-credit impaired	13	4	5	7	29
Disputed trade receivables- considered good	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-
Total	**250**	**11**	**11**	**7**	**279**
Less: Allowance for credit loss	(18)	(7)	(7)	(7)	(39)
Total trade receivables as at 31 March 2025	**233**	**3**	**4**	**-**	**240**

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 2026	As at 31 March 2025
Balance at the beginning of the year	39	28
Debtors written off during the year	-	-
Change in provision during the year (refer note 31)	(6)	11
Balance at the end of the year	**33**	**39**

12 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	3	1
Balances with banks		
- in current accounts	204	226
- in deposit accounts	36	250
	243	**477**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

13 Other balances with banks

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits with original maturity of more than 3 months but less than 12 months (refer below note a)	1,129	923
In earmarked accounts (refer below note b and c)	253	1
	1,382	**924**

Note:

a. Deposit accounts includes Rs. 6 millions (31 March 2025: Rs 7 millions) against the bank guarantee and Rs. 4 millions (31 March 2025: Rs. 4 millions) placed against the letter of credit obtained by the Group.

b. Earmarked accounts include Rs 3 millions (31 March 2025: Rs 1 million) against the bank guarantee and the letter of credit obtained by the Group.

c. Deposit accounts include Rs 250 millions (31 March 2025: Rs Nil) lien against the working capital facility.

14 Current tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Taxes paid	318	83
Less: Provision for tax	(239)	(42)
	79	**41**

15 Equity share capital

15.1 Particulars	As at 31 March 2026	As at 31 March 2025
Authorized share capital		
75,000,000 (31 March 2025: 75,000,000) equity shares of Rs 2/- each	150	150
	150	**150**
Issued, subscribed and fully paid-up equity shares		
57,125,663 (31 March 2025: 57,107,158) equity shares of Rs 2/- each	114	114
	114	**114**

15.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	5,71,07,158	114	5,15,97,168	103
Issued during the year*	18,505	0	55,09,990	11
Total	**5,71,25,663**	**114**	**5,71,07,158**	**114**

*Refer 15.6 for details on split issue, bonus issue, IPO issue and ESOP.

15.3 Details of shareholders holding more than 5% shares in Parent.

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,61,93,547	28%
Shubha Sunil	1,61,93,533	28%	1,61,93,533	28%
Nippon Life India Trustee Ltd	47,27,598	8%	-	-
SBI Consumption Opportunities Fund	30,31,960	5%	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

15 Equity share capital (Contd..)

15.4 Details of promoters shareholding as required by Companies Act, 2013*

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity Shares of Rs. 2/- each fully paid up				
Sunil Suresh	1,61,93,547	28%	1,61,93,547	28%
Shubha Sunil	1,61,93,533	28%	1,61,93,533	28%

15.5 Rights, preferences and restrictions

The Parent has only one class of equity share having a par value of Rs 2 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.

15.6 Share allotted as fully paid up by way of other than cash during five year immediately preceding 31 March 2026

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 except for issue of 14,742,048 bonus shares to existing sharholders on 19 June 2023.

Notes:

On 19 June 2023, the members of the Parent Company approved the following transactions :

a) The Parent Company's 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.

b) The Parent Company's 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.

c) The Parent Company's Board of Directors, at its meeting held on 16 June 2023, proposed/recommended to the members of the Company, bonus issue 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 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.

Consequent to above allotments, the paid-up equity share capital of the Parent Company stands increased from Rs. 74 Millions consisting of consisting of 73,71,024 equity shares of Rs. 10 each to Rs. 103 Millions consisting of 51,597,168 Equity Shares of Rs. 2 each. Earnings per equity share has been calculated for the current year after considering the total number of equity shares post subdivision and issue of bonus shares as per the provisions of the applicable Ind AS.

(iv) The Parent Company's equity shares have been listed on Bombay Stock Exchange Limited (" BSE") and on National Stock Exchange of India Limited ("NSE") on June 28, 2024 by completing Initial Public Offering of 14,553,508 equity shares of face value of Rs. 2 each at an issue price of Rs. 369 per equity share, consisting of an offer for sale of 9,133,454 equity shares by selling shareholders and fresh issue of 5,420,054 equity shares.

(v) The Parent Company has allotted 18,505 (as on 31 March 2025 89,936) equity shares of Rs.2/- each as fully paid up pertaining to exercise of Employee Stock Option Plan 2022 ('ESOP 2022') in its meeting dated 04 July 2025 [refer note 47]

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

16 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Securities premium reserve (refer note 15.6)		
Balance at the beginning of the year	**3,001**	**1,133**
Add: Arising on issue of equity shares through IPO	-	1,989
Add/(Less): Share issue expenses on IPO/ Reversal of excess provision of share issue expenses	9	(144)
Add: On receipt of exercise price of ESOPs over and above the paid up capital	3	11
Add: On transfer from ESOP outstanding owing to exercise of ESOPs	3	12
	3,016	**3,001**
Retained earnings		
Balance at the beginning of the year	**1,490**	**1,199**
Add: Profit for the year	121	291
Loss on acquistion of non controlling interest in subsidiary	(120)	-
Balance at the end of the year	**1,490**	**1,490**
Items of other comprehensive income (OCI)		
Balance at the beginning of the year	12	11
Re-measurement defined benefit plans (net)	5	1
Balance at the end of the year	**17**	**12**
Employee stock option plan (refer note 47)		
Balance at the beginning of the year	**26**	**24**
Share based payment expense	0	14
Exercised during the year	(3)	(12)
Balance at the end of the year	**23**	**26**
Total Other Equity	**4,547**	**4,529**

Non Controlling Interest	As at 31 March 2026	As at 31 March 2025
Opening balance	112	111
Profit for the year	9	1
Re-measurement defined benefit plans (net)	0	0
Adjustment in change on account of change in non controlling interest	(61)	-
Closing balance	**60**	**112**

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 (refer note 47)

Employee stock option plan represents the outstanding employee stock option reserve.

Other comprehensive income

Other comprehensive income represents the remeasurement of defined benefit plans.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

17 Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Secured loans		
Term loan [refer note (b) below]	11	9
	11	**9**
Less: Current maturities of term loan disclosed under the head "Current Borrowings"	3	2
	8	**7**
Current		
Secured loans		
Secured, overdraft facility [refer note (a) below]	-	14
Current maturities of term loan [refer note (b) below]	3	2
	3	**16**

Notes:

(a). Working capital facilities (fund based and non-fund based) aggregating to Rs.70 million (As at 31 March 2025 Rs. 490 million) 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. 250 million (31 March 2025: Rs. 250 million).

(b) Includes:

(i) Vehicle loan from ICICI Bank Limited of Rs 7 million (31 March 2025: Rs 9 million) including current maturities of long term debt Rs 2 million (31 March 2025: 2 million) carry interest at the 9% per annum (31 March 2025: 9% per annum) secured by hypothecation of vehicle. The outstanding loan is repayable equated monthly payment of Rs 2,41,455 each.

(ii) Vehicle loan from HDFC bank for Rs 4 millions (31 March 2025: Rs Nil) including current maturities of long term debt Rs 1 million (31 March 2025: Rs Nil) which is repayable in 60 (31 March 2025: Nil) equated monthly instalments at the rate of interest of 7.85% (31 March 2025: Nil) per annum secured by hypothecation of vehicle.

18 Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Provision for employee benefits		
Gratuity (refer note 37)	29	12
	29	**12**
Current		
Provision for employee benefits		
Gratuity (refer note 37)	32	6
Compensated absences (refer note 37)	9	14
Provision for warranty (refer note 44)*	24	14
	65	**34**

***Assurance type 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

19 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues to micro and small enterprises (refer note 40)	56	31
Total outstanding dues of creditors other than micro and small enterprises		
- related parties (refer note 38)	0	0
- others	423	313
	479	**344**

A. Trade payables ageing schedule as at 31 March 2026

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	17	39	-	-	-	56
Undisputed dues to creditors other than micro and small enterprises	297	121	2	2	1	423
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
Total trade payable as at 31 March 2026	**314**	**160**	**2**	**2**	**1**	**479**

B. Trade payables ageing schedule as at 31 March 2025

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	27	4	0	0	0	31
Undisputed dues to creditors other than micro and small enterprises	259	51	2	1	-	313
Disputed dues to micro and small enterprises	-	-	-	-	-	-
Disputed dues to other than micro and small enterprises	-	-	-	-	-	-
Total trade payable as at 31 March 2025	286	55	2	1	0	344

Notes:

1. 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

2. For details on transactions with related party, refer note 38

3. Trade payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

4. Trade payables ageing is updated considered due date.

20 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Dealer deposits	0	0
Capital Creditors	24	0
Employee benefits payable	63	65
	87	**65**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

21 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Advance from customers	309	223
Statutory dues	42	54
	351	**277**

22 Current tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for taxes	28	98
Less: Taxes paid	(13)	(80)
	15	**18**

23 Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products *	4,186	4,236
Other operating revenues	7	26
	4,193	**4,262**

*Refer note 38 for related party transactions

Reconciliation of amount of revenue recognised in Consolidated Statement of Profit and Loss with contracted price:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
i. Sale of products		
Contract price	4,186	4,236
Revenue recognized	4,186	4,236
ii. Other operating revenue		
a. Commission income	-	-
a. Export incentive	7	26
iii. Contract balance		
a. Trade receivables (refer note 11)	106	240
b. Advance received from customers (refer note 21)	309	223

Performance obligation

Information about the Group's performance obligations are summarised below:

Sales as original equipment manufacturer

i. The performance obligation is satisfied upon delivery of the goods on ex-works basis at the Group's manufacturing facility.

ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-40 days.

iii. In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

23 Revenue from operations (Contd..)

Sales to related party

i. The performance obligation is satisfied upon delivery of the good to customer.

ii. The customer pays the transaction price equal to the cash selling price as per agreed credit terms which ranges from 0-60 days.

iii. In some contracts, warranty beyond fixing the defects that existed at the time of sale is provided to customers. The warranty is accounted for as a separate performance obligation. The performance obligation for the warranty service is satisfied over time.

Revenue from customers individually contributing more than 10% of the Group's revenue aggregates to Rs. 1,128 million (year ended 31 March 2025 : Rs. 954 million) from 2 customers (year ended 31 March 2025: 2 customers)

24 Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest income on		
- Bank deposits	128	116
- Unwinding of security deposit	21	13
- Letter of credit margin	0	0
- Income tax refund	0	1
Realised gain on sale of mutual fund	7	-
Rent including lease rentals (refer note 35)	5	1
Gain or loss on modification of right to use asset	51	4
Profit on sale of property, plant and equipment	6	-
Foreign exchange difference (net)	-	6
Cross charge income (refer note 38)	4	8
Liabiliies no longer required writen back	2	3
Unrealised gain or loss on mutual funds	2	-
Miscellaneous income	2	20
	228	**172**

25 Cost of materials consumed

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Inventories at the beginning of the year (refer note 10)	492	463
Add : Purchases made during the year		
- Related parties (refer note 38)	-	6
- others	1,600	1,559
	2,092	**2,028**
Less : Inventories at the end of the year (refer note 10)	466	492
Total cost of materials consumed	**1,626**	**1,536**

26 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Purchase of stock-in-trade	119	280
	119	**280**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

27 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Inventories at the end of the year (refer note 10)		
Finished goods (traded and manufactured)	833	868
Work-in-progress	55	44
	888	**912**
Inventories at the beginning of the year (refer note 10)		
Finished goods (traded and manufactured)	868	894
Work-in-progress	44	65
	912	**959**
	25	**47**

28 Employee benefit expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus	587	551
Contribution to provident and other funds (refer note 37)	27	26
Gratuity expense (refer note 37)	16	11
Share based payment expenses (refer note 47)	0	14
Staff welfare expenses	20	23
	650	**625**

29 Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest expense on		
- Working capital borrowings	2	13
- Term loan	0	0
- Micro and small enterprises (refer note 40)	2	1
- Lease liabilities (refer note 35)	247	163
Bank and Credit Card Charges	0	1
Borrowing cost on asset retirement obligations	5	4
	256	**182**

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 4(a))	151	136
Amortization of intangible assets (refer note 4(b))	17	11
Depreciation on right of use assets (refer note 5 and note 35)	349	297
	517	**444**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

32 Income tax expenses

32.1 Tax expense reported in the Consolidated Statement of Profit and Loss

A. The major components of income tax expense for the year are as under :

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
i. Tax expense recognized in the Consolidated Statement of Profit and Loss account:		
Current tax expense:		
Current tax on profit for the year	52	128
Relating to earlier years:		
Tax relating to earlier years	(3)	8
Deferred tax expense:		
Deferred tax expenses for the year	(3)	(64)
Total tax expense recognized in the Consolidated Statement of Profit and Loss Account	**46**	**72**
ii. Tax expense recognized in Other Comprehensive Income:		
Items that will not be reclassified to Consolidated Statement of Profit and Loss Account		
Re-measurement of defined benefit plan	1	0
Total tax expense recognized in Other Comprehensive Income:	**1**	**0**
Total tax expense recognized in Total Comprehensive Income:	**47**	**72**

B. Reconciliation of tax expense and the accounting profit for the year is under.

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Accounting profit before income tax expenses	175	364
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expense	44	92
Tax effect of :		
- Expenses that are not deductible in determining taxable profit	2	6
- Carry forward losses on which DTA not created	8	-
- Elimination of unrealised profits	-	(34)
- tax relating to earlier years	(3)	8
- Others	(5)	0
Tax expenses recognized in Consolidated Statement of Profit and Loss Account	**46**	**72**
Effective tax rate (%)	**28.51%**	**17.65%**

32.2 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 2026	As at 31 March 2025
Deferred tax liabilities:		
Property plant and equipment	(21)	-
	(21)	**-**
Deferred tax assets:		
Property plant and equipment	-	9
Elimination of unrealised profits	34	34
Provision for compensated absences	16	8
Provision for expected credit loss	14	15
Provision for warranties	3	-
Provision for bonus	2	6

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

32 Income tax expenses (Contd..)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for doubtful advance	3	3
Lease liabilities (net)	132	102
Losses carry forward of subsidiary	-	5
Others	12	10
Total	**216**	**192**
Deferred tax assets (net)	**195**	**192**

Movement of deferred tax assets:

As at 31 March 2026

Particulars	As at 31 March 2025	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2026
Deferred tax liability:				
Property plant and equipment	-	(21)	-	(21)
Deferred tax assets				
Property plant and equipment	9	(9)	-	-
Elimination of unrealised profits	34	-	-	34
Provision for employee benefits	8	7	1	16
Provision for expected credit loss	15	(1)	-	14
Provision for warranties	-	3	-	3
Provision for bonus	6	(4)	-	2
Provision for doubtful advance	3	(0)	-	3
Lease liabilities (net)	102	31	-	132
Carry forward losses of subsidiaries	5	(5)	-	-
Others	10	2	-	12
Total	**192**	**3**	**1**	**195**
Net deferred tax assets	**192**	**3**	**1**	**195**

As at 31 March 2025

Particulars	As at 31 March 2024	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	As at 31 March 2025
Deferred tax assets				
Property plant and equipment	10	(1)	-	9
Elimination of unrealised profits	-	34	-	34
Provision for employee benefits	4	4	0	8
Provision for expected credit loss	12	3	-	15
Provision for bonus	5	1	-	6
Provision for doubtful advance	-	3	-	3
Lease liabilities (net)	87	15	-	102
Carry forward losses of subsidiaries	-	5	-	5
Others	10	(0)	-	10
Total	**128**	**64**	**0**	**192**
Net deferred tax assets	**128**	**64**	**0**	**192**

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for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 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 consolidated balance sheet.

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 2025, 31 March 2026 is considered to be adequate:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	110	29	251	28
Expected credit losses (Loss allowance provision)	(4)	(29)	(18)	(21)
Carrying amount of trade receivables (net of impairment)	**106**	**-**	**233**	**7**

Movement in expected credit losses:

Particulars	Amount
As at 1 April 2024	**28**
Provision/ (reversed) created during the year	11
As at 31 March 2025	**39**
Provision/ (reversed) created during the year	(6)
As at 31 March 2026	**33**

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for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 Financial risk management objectives and policies (Contd..)

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 2026

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	More than 3 years	
Borrowings (refer note 17)	3	8	-	11
Trade payables (refer note 19)	479	-	-	479
Lease liability (refer note 35)	541	1,127	3,081	4,749
Other financial liabilities (refer note 20)	87	-	-	87
	1,110	**1,135**	**3,081**	**5,326**

As at 31 March 2025

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	More than 3 years	
Borrowings (refer note 17)	16	7	-	23
Trade payables (refer note 19)	344	-	-	344
Lease liability (refer note 35)	235	823	810	1,868
Other financial liabilities (refer note 20)	65	-	-	65
	660	**830**	**810**	**2,300**

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 balance sheet is as follows:

Financial liabilities	31 March 2026	31 March 2025
Borrowing (including current maturities) (refer note 17)	11	23
Total	**1**	**23**

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 period ended 31 March 2026 would decrease / increase by Rs. 0.02 million (for the year ended 31 March 2025: decrease / increase by 0.13 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.

Notes to the Consolidated Financial Statements

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(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

33 Financial risk management objectives and policies (Contd..)

Particulars	31 March 2026	31 March 2025
Borrowings (including current maturities) (refer note 17)	11	23
Less:		
Cash and cash equivalents (refer note 12)	243	477
Bank balances other than cash and cash equivalents (refer note 13)	1,382	924
Net debt	**(1,614)**	**(1,378)**
Total equity	4,721	4,755
Capital gearing ratio	**(0.34)**	**(0.29)**

34 Financial instruments

The material 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 Consolidated balance sheet.

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 information. 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 information 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 2026			
		Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
Financial assets					
(a) Investments (refer note 6)	1	-	205	205	205
(b) Trade receivables (refer note 11)	3	106	-	106	106
(c) Cash and cash equivalents (refer note 12)	3	243	-	243	243
(d) Bank balances other than cash and cash equivalents (refer note 13)	3	1,382	-	1,382	1,382
(e) Other financial assets (refer note 7)	3	547	-	547	547
Total		**2,278**	**205**	**2,483**	**2,483**
Financial liabilities					
(a) Borrowings (refer note 17)	3	11	-	11	11
(b) Trade payables (refer note 19)	3	479	-	479	479

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34 Financial instruments (Contd..)

Particulars	Level	As at 31 March 2026 Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
(c) Lease liability (refer note 35)	3	3,076	-	3,076	3,076
(d) Asset retirement obligation (refer note 4(f))	3	72	-	72	72
(e) Other financial liabilities (refer note 20)	3	87	-	87	87
Total		**3,725**	**-**	**3,725**	**3,725**

Particulars	Level	As at 31 March 2025 Amortised Cost	Fair value through profit or loss	Total carrying value	Total fair value
Financial assets					
Financial assets					
(a) Trade receivables (refer note 11)	3	240	-	240	240
(b) Cash and cash equivalents (refer note 12)	3	477	-	477	477
(c) Bank balances other than cash and cash equivalents (refer note 13)	3	924	-	924	924
(d) Other financial assets (refer note 7)	3	1,049	-	1,049	1,049
Total		**2,690**	**-**	**2,690**	**2,690**
Financial liabilities					
(a) Borrowings (refer note 17)	3	23	-	23	23
(b) Trade payables (refer note 19)	3	345	-	345	345
(c) Lease liability (refer note 35)	3	1,868	-	1,868	1,868
(d) Asset retirement obligation (refer note 4(f))	3	53	-	53	53
(e) Other financial liabilities (refer note 20)	3	65	-	65	65
Total		**2,354**	**-**	**2,354**	**2,354**

Note:

1. 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.

35 Leases

Information on leases as per Ind AS 116 on "Leases":

The Group has lease contracts for factories, showrooms, warehouses and office premises.

(a)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	**1,603**	**1,557**
Additions	1,970	360
Deletions/ Adjustments	(204)	(17)
Depreciation Capitalised	(55)	-
Depreciation - charged to profit and loss account	(349)	(297)
Closing Balance	**2,965**	**1,603**

The aggregate depreciation is included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss Account.

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35 Leases (Contd..)

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Current	Non-Current	Current	Non-Current
Lease liabilities	278	2,798	235	1,633

(c) The following is the movement in the lease liabilities for the year ended 31 March 2026, 31 March 2025:

Particulars	Lease Liabilities
Balance as at 1 April 2024	**1,772**
Additions/modifications	339
Deletions	(18)
Finance costs	163
Lease rentals paid	(388)
Balance as at 31 March 2025	**1,868**
Additions/modifications	1,673
Deletions	(249)
Finance costs	247
Finance cost capitalised	23
Lease rentals paid	(486)
Balance as at 31 March 2026	**3,076**

(d) The table provides details regarding contractual liabilities of lease liabilities as at 31 March 2026, 31 March 2025 on an undiscounted basis.

Particulars	As at 31 March 2026	As at 31 March 2025
Undiscounted future cash flows		
- Not later than 1 year	541	391
- Later than 1 year and not later than 5 years	2,280	1,693
- Later than 5 years	1,928	449

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 Consolidated Statement of Profit and Loss Account:

Particulars	As at 31 March 2026	As at 31 March 2025
Interest on Lease liabilities	247	163
Depreciation of right of use assets	349	297
Expense related to short-term Leases (refer note 31)	19	17

(f) Amount recognised in Consolidated Statement of Cash Flows

Particulars	As at 31 March 2026	As at 31 March 2025
Cash outflow		
- Principal amount	239	225
- Interest amount	247	163

(g) Sub-lease Income:

The Group has sub-let certain factory and showroom spaces that are renewable on a periodic basis. All leases are cancellable by providing sufficient notice. Rental income received during the period in respect of operating lease is Rs 5 million (31 March 2025: Rs 1 million).

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36 Additional information pursuant to schedule III of the Companies Act 2013

Name of the entity	31 March 2026							
	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	89%	4,180	77%	100	43%	2	76%	102
Subsidiaries								
Stanley Retail Limited	34%	1,586	-27%	(34)	1%	0	-26%	(34)
Stanley OEM Sofas Limited	4%	198	29%	38	28%	1	29%	39
ABS Seating Private Limited	4%	182	26%	34	3%	0	25%	34
Step Down Subsidiaries								
Shrasta Décor Private Limited	4%	183	5%	14	12%	1	11%	15
Sana Lifestyles Limited	2%	93	-5%	(15)	1%	0	-11%	(15)
Staras Seating Private Limited	7%	308	-2%	(6)	12%	1	-4%	(5)
Scheek Home Interiors Limited	0%	(21)	0%	(0)	0%	-	0%	(0)
Subtotal	**144%**	**6,709**	**103%**	**131**	**100%**	**5**	**100%**	**136**
Adjustment arising out of consolidation	-45%	(2,049)	-6%	(11)	-4%	(0)	-7%	(11)
Non controlling interest	1%	60	3%	9	4%	0	7%	9
Total	**100%**	**4,721**	**100%**	**130**	**100%**	**5**	**100%**	**134**

Name of the entity	31 March 2025							
	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	86%	4,066	66%	193	-23%	(0)	64%	189
Subsidiaries								
Stanley Retail Limited	24%	1,122	24%	69	121%	1	24%	70
Stanley OEM Sofas Limited	3%	158	20%	58	-84%	(1)	19%	57
ABS Seating Private Limited	3%	148	6%	19	-18%	(0)	6%	19
Step Down Subsidiaries								
Shrasta Décor Private Limited	4%	168	-4%	(13)	131%	1	-4%	(12)
Sana Lifestyles Limited	2%	83	-3%	(10)	-8%	(0)	-3%	(10)
Staras Seating Private Limited	5%	258	3%	8	-18%	(0)	3%	8

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36 Additional information pursuant to schedule III of the Companies Act 2013 (Contd..)

Name of the entity	31 March 2025							
	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
Scheek Home Interiors Limited	0%	(21)	0%	(0)	0%	-	0%	(0)
Subtotal	**127%**	**5,984**	**112%**	**324**	**101%**	**1**	**109%**	**321**
Adjustment arising out of consolidation	-29%	(1,341)	-12%	(32)	-12%	-	-9%	(29)
Non controlling interest	2%	112	0%	1	11%	0	0%	1
Total	**100%**	**4,755**	**100%**	**292**	**100%**	**(1)**	**100%**	**293**

37 Employee benefits

a. Defined contribution plan

The Group contribution to defined contribution plan has been recognized as expense in the Consolidated Statement of Profit and Loss Account under the head employee benefit expense for the year are as under:

Particulars	31 March 2026	31 March 2025
Employer's Contribution to Provident Fund	26	24
Employer's Contribution to Employees' State Insurance Scheme	1	2
	27	**26**

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 Consolidated Statement of Profit and Loss Account and the funded status and amounts recognized in the Consolidated Balance sheet for the respective plans.

Particulars	31 March 2026	31 March 2025
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	58	47
Interest cost	5	4
Current service cost	14	10
Past Service Cost (Refer note d below)	33	-
Benefits paid directly from employer	-	(1)
Benefits paid from the fund	(2)	(1)
Actuarial (gains)/losses on obligations	-	-
Due to change in demographic	-	-
Due to change in financial assumptions	(4)	2
Due to experience	(2)	(3)
Closing defined benefit obligation	**102**	**58**
ii) Changes in fair value of plan assets during the year/ period:		
Opening fair value of planned assets	40	38
Interest income	3	3
Contributions by employer	0	-
Benefits paid	(2)	(1)
Return on plan assets, excluding interest income	0	0
Closing fair value of plan assets	**41**	**40**

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37 Employee benefits (Contd..)

Particulars	31 March 2026	31 March 2025
iii) Net (asset)/liability recognized in the Consolidated Balance sheet:		
Present value of benefit obligation at the end of the year/ period	-102	-58
Fair value of plan assets at the end of the year/ period	41	40
Net (asset)/liability recognized in the Consolidated Balance sheet	-61	-18
Net liabilities – current (refer note 18)	32	6
Net liabilities – non current (refer note 18)	29	12
iv) Expenses recognized in the Consolidated Statement of Profit and Loss Account for the year:		
Current service Cost	14	10
Net interest Cost	2	1
Past service cost (Refer note d below)	33	-
Expenses recognized in the Consolidated Statement of Profit and Loss Account	**49**	**11**
v) Recognized in Other Comprehensive Income for the year:		
Actuarial (gains)/losses on obligations		
Due to change in demographic	-	-
Due to change in financial assumptions	(4)	2
Due to experience	(2)	(3)
Return on plan assets, excluding interest income	-	0
Net (income)/expense for the year/ period recognized in Other Comprehensive income	**(6)**	**(1)**
vi) Actuarial assumptions		
Expected return on plan assets	7%	7%
Rate of discounting	7%	7%
Rate of salary increase	10%	10%
Rate of employee turnover	10%	10%
vii) Maturity profile of defined benefit obligation:		
1st following year	11	7
2nd following year	10	4
3rd following year	12	6
4th following year	10	6
5th following year	8	6
Sum of years 6 to 10	44	24
Sum of years 11 and above	92	52
viii)Consolidated Balance sheet:		
Opening net liability	18	9
Expenses recognized in Consolidated Profit and Loss account (including exceptional item)	49	11
Expenses recognized in Other Comprehensive Income	(6)	(1)
Benefit paid directly by the employer	0	(1)
Employer's contribution	0	0
Net liability/(asset) recognized in the Consolidated Balance sheet	**61**	**18**
ix) Category of assets:		
Insurance fund	41	40

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 summaries the impact on the reported defined benefit obligation at the end of the year/ period arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	31 March 2026	31 March 2025
Defined Benefit Obligation on Current Assumptions	102	58
Delta Effect of +1% Change in Rate of Discounting	(6)	(3)
Delta Effect of -1% Change in Rate of Discounting	7	4
Delta Effect of +1% Change in Rate of Salary Increase	6	3

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37 Employee benefits (Contd..)

Particulars	31 March 2026	31 March 2025
Delta Effect of -1% Change in Rate of Salary Increase	(6)	(3)
Delta Effect of +1% Change in Rate of Employee Turnover	(1)	(1)
Delta Effect of -1% Change in Rate of Employee Turnover	2	1

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 year) has been applied as and when calculating the defined benefit liability recognised in the Consolidated Balance sheet.

The weighted average duration of the defined benefit obligation as at 31 March 2026 is 8 years (As at 31 March 2025 is 8 years)

c. Compensated absences (Unfunded)

The defined benefit obligations which are provided for but not funded are as under:

Particulars	As at 31 March 2026	As at 31 March 2025
Compensated absences		
- Current (refer note 18)	9	14
	9	**14**

d. Effective 21 November 2025, the Government of India notified the four new Labour Codes, replacing the existing 29 labour laws. Based on the guidance issued by the Institute of Chartered Accountants of India, the Group has assessed and disclosed the incremental impact on its employee benefit liabilities arising from these changes.

In the Consolidated financial statements, the Group has recognised an incremental impact of Rs. 33 million for the year ended 31 March 2026 under "Exceptional item."

The Group continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of liability pertaining to employee benefits.

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
Significant influence over the entity	Oman India Joint Investment Fund (upto 5 July 2024)
Key Management Personnel (KMP)	Mr. Sunil Suresh - Managing Director
	Ms. Shubha Sunil- Whole Time Director
	Mr. Pradeep Mishra - Group Chief Financial Officer (until 13 August 2025)
	Mr. Akash Shetty - Group Company Secretary (until 19 June 2025)
	Mr. Sri Krishna (CEO of Stanley Retail Limited w.e.f. 4 March 2024 till 23 January 2026)
	Mr. J K Sharath -Group Chief Financial Officer (w.e.f 13 August 2025 until 31 March 2026)
	Mr. R R Naik - Group Company Secretary and Compliance Officer (w.e.f 13 August 2025 until 08 April 2026)
	Mr. Abhijeet Sonar- CEO of Stanley Retail Limited (w.e.f. 3 November 2025 till 07 April 2026)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

38 Details of related parties: (Contd..)

Description of relationship	Names of related parties
	Mr. Venakataramana Seshagirirao Gorti (w.e.f 16 December 2025)
	Mr. Mukesh Sharma - Company Secretary and Compliance Officer (w.e.f 08 April 2026)
Other Directors	Mr. Vishal Verma - Director (upto 19 July 2024)
	Mr. Girish Nandkarni-Independent Director
	Mrs. Sonakshi Sunil - (Director of Sana Lifestyles Limited)
	Mr. Yusuf Merchant Abdullah - (Director of Staras Seating Private limited) (until 31 March 2026)
	Mr. Rohit Krishna - (Director of Scheek Home Interiors Limited)
	Mr. Rajesh Manghnani - (Director of Shrasta Décor Private Limited) (until 13 August 2025)
	Ms. Sharmila Manghani - (Director of Shrasta Décor Private Limited) (until 13 August 2025)
	Mr. Bhupinder Singh Chawla - (Director of ABS Seating Private Limited)
	Mr. Saahas Sunil (Director of Staras Seating Private limited and Shrasta Décor Private Limited)
	Mr. Haneet Singh Chawla - (Director of ABS Seating Private Limited)
Relative of Key Management Personnel (KMP)	Ms. Rupinder Chawla
	Ms. Suchit Kaur Chawla
	Mr. Dhanish Manghnani (until 13 August 2025)
Entities in which KMP / Relatives of KMP can exercise significant influence	Design Eight Private Limited (until 13 August 2025)
	SASS Kitchens
	Stanley Estate & Leisure
	Seating World (until 13 August 2025)
	ARI Music Private Limited
	Aldous

38.1 Particular of transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March 2026	For the year ended 31 March 2025
Stanley Estates and Leisure	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Sales		1	4
Rental income		1	1
Perfume Business Acquisition		3	0
Seating World	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Sales		-	1
Purchases		0	0
Design Eight Private Limited	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Purchases		-	1
Sales		14	84
Cross Charge Income		4	8
License & Trademarks Sales		5	-
Sunil Suresh	**Key Managerial Personnel**		
Salary / Perquisites		19	19
Sales		3	4

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

38 Details of related parties: (Contd..)

Particulars	Relationship	For the year ended 31 March 2026	For the year ended 31 March 2025
Shubha Sunil	**Key Managerial Personnel**		
Salary / Perquisites		21	19
Sales		0	0
Sonakshi Sunil	**Other Director**		
Salary / Perquisites		1	-
Director sitting fees		-	0
Travelling Exp		0	-
Abhijeet Sonar	**CEO of Stanley Retail Limited**		
Salary / Perquisites		4	-
Yusuf Merchant Abdullah	**Other Director**		
Salary / Perquisites		6	6
Rajesh Manghnani	**Other Director**		
Salary / Perquisites		-	2
Sharmila Manghnani	**Other Director**		
Salary / Perquisites		-	0
Haneet Singh Chawla	**Other Director**		
Salary / Perquisites		5	5
Rupinder Chawla	**Relative of Key Managerial Personnel**		
Salary / Perquisites		2	2
Aldous	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Purchases		3	5
Mr. 'R R Naik	**Key Managerial Personnel**		
Salary / Perquisites		1	-
Mr. 'Venkataramana S G	**Director**		
Salary / Perquisites		5	-
Mr. J K Sharath	**Key Managerial Personnel**		
Salary / Perquisites		12	-
Pradeep Mishra	**Key Managerial Personnel**		
Salary / Perquisites		4	21
Akash Shetty	**Key Managerial Personnel**		
Salary / Perquisites		0	2
Mr. Vishal Verma	**Other Director**		
Director sitting fees		-	0
Mr. Girish Nandkarni-Independent Director	**Other Director**		
Director sitting fees		1	1
Mrs. Anusha Shetty	**Other Director**		
Director sitting fees		1	1
Mr. Ramanujam Venkat Raghavan	**Other Director**		
Director sitting fees		1	1
Mr. Saahas Sunil	**Other Director**		
Salary/ Perquisites		0	-
Mr. Sri Krishna	**Key Managerial Personnel**		
Salary/ Perquisites		5	7

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

38 Details of related parties: (Contd..)

38.2 Balances outstanding as at year

Particulars	Relationship	As at 31 March 2026	As at 31 March 2025
Sass Kitchens	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Advance to suppliers		0	0
Trade receivables		6	6
Stanley Estates and Leisure	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Trade receivables		1	0
Seating World	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Trade payables		0	-
Trade receivables		-	0
Design Eight Private Limited	**Entities in which KMP/ relatives of KMP can exercise significant influence**		
Trade payables		-	-
Trade Receivables		-	67
Sunil Suresh	**Key Managerial Personnel**		
Salary payable		1	1
Shubha Sunil	**Key Managerial Personnel**		
Trade payables		-	0
Salary payable		1	1
Sonakshi Sunil	**Other Director**		
Salary payable		0	0
Rajesh Manghnani	**Other Director**		
Salary payable		-	0
Sharmila Manghnani	**Other Director**		
Deposit amount paid recoverable		-	1
Yusuf Merchant Abdullah	**Other Director**		
Salary payable		0	0
Haneet Singh Chawla	**Other Director**		
Salary payable		0	0
Pradeep Kumar Mishra	**Key Managerial Personnel**		
Advance against Salary		-	0
Rupinder Chawla	**Relative of Key Managerial Personnel**		
Salary payable		0	0
Mr. Sri Krishna	**Key Managerial Personnel**		
Salary payable		-	0
Mr. 'Venkataramana S G	**Key Managerial Personnel**		
Salary Payable		1	-
J K Sharath	**Key Managerial Personnel**		
Salary Payable		1	
Saahas Sunil	**Key Managerial Personnel**		
Salary Payable		0	-
Abhijeet Sonar	**CEO of Stanley Retail Limited**		
Salary Payable		1	
R R Naik	**Key Managerial Personnel**		
Salary Payable		0	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

39 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/ deduction, expense claimed & adjustments) (refer note 2 below)	2	2
(b) Atria mall case (refer note 1 below)	26	26
(c) L'Oreal case (Refer note 3 below)	20	20
(d) Others (relating to consumer complaints and other matters)	5	5
(e) Goods and service tax (relating to goods and service tax on sale or purchase of goods or services)	-	0
(f) Customs(relating to EPCG license)	-	8
(g) Capital Account contract with Interiocraft Private Limited (refer note 4 below)	3	3
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	71	34

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 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 under Section 143(3) of the Income Tax Act, 1961 has been received invoking provision u/s 37 of Income Tax Act, 1961 disallowing certain expenses for assessment year 2021-2022. The demand is Rs 1 million and the Group has appealed against the same by remitting 20% i.e. Rs 0 million under dispute. In the financial ended 31 March 2022, the Group has filed an appeal.

3. L'Oreal filed a suit against the Company for Trademark Infringment and Passing off of their slogan "Because I'm worth It". The Company had filed a Rectification Petition against L'Oreal's Trademark Registration for the mark "L'Oreal Because I'm Worth It". 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.

4. A sum of Rs. 3 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	As at 31 March 2026	As at 31 March 2025
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	50	28
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
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 period;	-	-
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;	2	0

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

40 Details of dues to micro and small enterprises as defined under the MSMED Act 2006 * (Contd..)

Particulars	As at 31 March 2026	As at 31 March 2025
d The amount of interest accrued and remaining unpaid at the end of each accounting period; and	6	4
e The amount of further interest remaining due and payable even in the succeeding periods, 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.	-	-

* 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 Consolidated Statement Balance sheet:

Particulars	As at 31 March 2026		As at 31 March 2025	
	Amount in Millions	Amount in foreign currency in Millions	Amount in Millions	Amount in foreign currency in Millions
Trade payables				
USD	(27.32)	(0.30)	(14.05)	(0.16)
EURO	(23.00)	(0.27)	(25.43)	(0.28)
EURO	-	-	(0.15)	(0.26)
GBP	-	-	(0.04)	(0.00)

Sensitivity analysis:

Impact on profit / (loss) for the year a 1% change in exchange rates:

Particulars	As at 31 March 2026	As at 31 March 2025
Payables- Foreign currency /Rs.		
Increase in Rs.	(0.50)	(0.40)
Decrease in Rs.	0.50	0.40

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	As at 31 March 2026	As at 31 March 2025
Profit attributable to owners of the Parent	120	291
Net profit for calculation of basic and diluted EPS	120	291
	No. of shares	**No. of shares**
Weighted average number of equity shares in calculating basic EPS		
- No of equity share as at 31 March	5,71,25,663	5,57,15,151

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

43 Earning per share (EPS) (Contd..)

Particulars	As at 31 March 2026	As at 31 March 2025
Basic earning per share (in Rs.)	2.10	5.22
Weighted average number of equity shares in calculating basic EPS (Split and Bonus share- refer note 15.6)	5,71,25,663	5,57,15,151
Weighted average share under Employee Stock Options (refer note 47)	1,37,215	2,79,412
Weighted average share at average market price	(57,436)	(85,991)
Dilutive earning per share (in Rs.)	2.10	5.20

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 2025, 31 March 2024 represents the amount of the expected cost of meeting such obligation of rectification / replacement.

Particulars	As at 31 March 2026	As at 31 March 2025
Balance as at the beginning of the year	14	14
Add: Charge for the year (refer note 31)	14	7
Less: Utilised during the year	4	7
Balance as at the year end	**24**	**14**
Current portion (refer note 18)	24	14

45 Details submitted to bank on account of credit facility availed

Working capital facilities (fund based and non-fund based) aggregating to Rs. 70 million (As at 31 March 2025 Rs. 490 million) 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. Nil (31 March 2025: Rs. 250 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-25	ICICI Bank (SRL)	190	Trade receivables	27	28	(0.63)	Monthly closure entries
	HDFC Bank (SOSL)	70	Trade payables	94	94	(0.03)	Monthly closure entries
Sep-25	ICICI Bank (SRL)	190	Trade payables	34	32	1.90	Monthly closure entries
			Inventory	520	520	0.19	
	HDFC Bank (SOSL)	70	Trade receivables	87	87	0.16	Monthly closure entries
Dec-25	HDFC Bank (SOSL)	70	Trade receivables	96	95	0.44	Monthly closure entries
			Trade payables	77	76	0.10	

46 Relationship with struck off 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

47 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 Parent 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	Bucket C	Bucket D	Leadership Grant
Date of Grant	16 November 2022	16 November 2022	04 January 2024	12 February 2025	'26 May 2025, 28 August 2025 & 11 February 2026
No. of options granted	36,662	4,565	1,80,836	3,374	11,85,122
No. of options granted post impact of split of equity shares and issue of equity bonus shares	2,56,634	32,028	1,80,836	3,374	11,85,122
Method of Settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30%	Graded vesting over the period of 4 years from the date of grant in the proportion of 20%, 20%, 30% and 30% subject to Company's and Individual's performance. However, 482 options to be vested in a years time subject to Company's and Individual's performance	1. 5 years vesting with 20% options vesting each year and is linked to continued service with the Company. 2. 4 years vesting with 25% options vesting each year and is linked to continued service with the Company.
Exercise Period	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The exercise period of these grants is only upon or directly prior to the happening of a liquidity event and post listing anytime within 1 (one) year from the vesting date	The vested options can be exercised with 1 year or such other period as determined by Compensation Committee from the date of vesting.
Vesting conditions	Continues services and performance	Continues services and performance	Continues services and performance	Continues services and performance	Continues services and performance

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

47 Employee Stock Options (Contd..)

Particulars	Stanley Lifestyle Stock Option Plan 2022				
	Bucket A	Bucket B	Bucket C	Bucket D	Leadership Grant
Exercise price per option (Rs.) pre split of equity shares and issue of equity bonus shares	Rs 850	Rs 10	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	NA
Fair value of option (Rs.) pre split of equity shares and issue of equity bonus shares**	Rs 901	Rs 1,403	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192	NA
Exercise price per option (Rs.) post split of equity shares and issue of equity bonus shares	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	Rs. 236.90
Fair value of option (Rs.) post split of equity shares and issue of equity bonus shares**	Rs 129	Rs 200	Rs. 153 & Rs. 164	Rs. 214 & Rs. 192	Rs. 107.48

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

47 Employee Stock Options (Contd..)

Particulars	Bucket A			Bucket B			Bucket C			Bucket D			Leadership Grant	
	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	31 March 2026	Weighted average	31 March 2025	Weighted average	31 March 2026
Opening balance	1,28,486	850	2,23,153	18,182	10	32,028	1,29,852	135	1,80,836	2,892	156	-	-	-
Granted during the year	-	-	-	-	-	-	-	-	-	-	-	3,374	237	12,51,020
Forfeited during the year	(48,921)	121	(15,288)	(3,068)	2	(3,289)	(68,810)	135	(50,984)	(2,892)	156	(482)	237	(6,58,508)
Exercised during the year*	(865)	121	(79,379)	(428)	2	(10,557)	(17,212)	135	-	-	-	-	-	-
Outstanding at the end of the year*	**78,700**	**121**	**1,28,486**	**14,686**	**2**	**18,182**	**43,830**	**135**	**1,29,852**	**-**	**156**	**2,892**	**156**	**5,92,512**

** Consequent to split of one option into five options and then two bonus options for every five options the numbers has been updated.

* Weighted average exercise price for options granted during the year is Rs. 114.38 (as at 31 March 2025: Rs.99.15).

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	As at 31 March 2026					As at 31 March 2025			
	Bucket A	Bucket B	Bucket C	Bucket D	Leadership Grant	Bucket A	Bucket B	Bucket C	Bucket D
Exercise price of options granted	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156	Rs. 236.90	Rs 121	Rs 2	Rs. 156 & Rs 121	Rs. 121 & Rs, 156
Risk free rate of return	7.32%	7.32%	7.25%	6.75%	6.23%	7.32%	7.32%	7.25%	6.75%
Life of the options granted (vesting and exercise period) in years	4 years	4 years	4 years	4 years	4/5 years	4 years	4 years	4 years	4 years
Volatility	16.06%	16.06%	50.00%	50.00%	50.00%	16.06%	16.06%	50.00%	50%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

47 Employee Stock Options (Contd..)

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 2026	31 March 2025
Expense arising from equity-settled share-based payment transactions	0	14

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(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).

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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.

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A) The Group has maintained proper books of account as required by law except for keeping backup by one subsidiary on daily basis of such books of account maintained in electronic mode, in a server physically located in India.

B) In respect of Parent Company and its subsidiary companies incorporated in India have used accounting software for maintaining their respective books of account for the year ended 31 March 2026, wherein:

a) In respect of the Parent Company and five subsidiary companies, the accounting software did not have the audit trail feature enabled throughout the year, and

b) In respect of one subsidiary company, the accounting software did not have a feature of recording audit trail (edit log) facility.

The Group is in the process of implementing the changes in line with the regulation.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All the amounts are in Indian Rupees Millions except for share information or as otherwise stated)

51 The Parent Company has received an amount of Rs. 1,839 million (net off IPO expense of Rs 161 million) from proceeds out of fresh issue of equity shares. The utilization of the net IPO proceeds is summarized as below:

Objects of issue as per prospectus	Amount to be utilized as per prospectus	Utilization up to 31 March 2026	Un-utilized amount as on 31 March 2026
1. Investment in certain subsidiaries, having retail operations for: a. opening of new stores by such subsidiaries b. opening the anchor stores by such subsidiaries c. renovation of the existing stores by such subsidiaries	1,402	655	747
2. Funding the capital expenditure requirements for purchase of new machinery and equipment by the Company and its material subsidiary, Stanley OEM Sofas Limited.	67	67	-
3. General corporate purposes	371	338	33
Total	**1,840**	**1,059**	**780**

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(i) Proceeds from issue of shares on account of IPO include recoveries towards the share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 14 million (31 March 2025: Rs 223 million).

(ii) Share issue expenses on account of IPO includes payments towards share issue expenses on account of IPO attributable to selling shareholders amounting to Rs 14 million (31 March 2025: Rs 164 million).

53 The Group evaluated all events or transactions that occurred after 31 March 2026 up through 27 May 2026, the date the financial statements 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 statements except for the event stated below:

The Board of Directors of the Parent, at its meeting held on 27 May 2026 has in principal approved the proposed amalgamation of Stanley OEM Sofas Limited, Stanley Retail Limited, Sana Lifestyles Limited, Staras Seating Private Limited, and Shrasta Decor Private Limited (collectively referred to as "Transferor Companies") with Stanley Lifestyles Limited ("the Parent"), together with their respective shareholders and creditors, with effect from 01 April 2026 being the appointed date. The amalgamation shall be accounted for under the "pooling of interest" method prescribed under Ind AS 103 (Business Combinations) for entities under common control.

54 All amounts disclosed in consolidated financial statements and notes to the consolidated financial statements have been rounded off to the nearest million, unless otherwise stated. 0 represents amounts less than Rs. 1 million.

For and on behalf of the Board of Directors
STANLEY LIFESTYLES LIMITED

Sunil Suresh
Chairman and Managing Director
DIN: 01421517

Shubha Sunil
Whole Time Director
DIN: 01363687

Venkataramana Seshagirirao Gorti
Joint Managing Director
DIN: 08526382

Mukesh Sharma
Company Secretary and Compliance Officer
Membership No. A28288

Place: Bengaluru
Date: 27 May 2026

Note

STANLEY
Makers Of Beautiful

Stanley Lifestyles Limited
SY No.16/2 and 16/3 Part, Hosur Road,
Veerasandra Village,
Attibele Hobli, Anekal Taluk,
Bangalore - 560100
Karnataka – India

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