

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS



(Please scan this QR code to view the RHP)

This is an abridged prospectus containing salient features of the red herring prospectus of STANLEY LIFESTYLES LIMITED (the "Company") dated June 13, 2024 filed with the Registrar of Companies Karnataka at Bengaluru (the "RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalized terms used herein and not specifically defined shall bear the same meaning as ascribed to them in the RHP. This abridged prospectus is not for distribution outside of India.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID-CUM-APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Please ensure that you have read the RHP, this abridged prospectus ("Abridged Prospectus") and the general information document for investing in public issues ("GID") undertaken through the Book Building Process before applying in the Offer. The investors are advised to retain a copy of the RHP/Abridged Prospectus for their future reference. You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Members of the Syndicate, Registrar to the Offer, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Bankers to the Offer, Investors' Association or Self Certified Syndicate Banks ("SCSBs"). You may also download the RHP from the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in, at the websites of National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"), and together with NSE, the "Stock Exchanges" at www.nseindia.com and www.bseindia.com, respectively, at the website of the Company at www.stanleylifestyles.com and the website of the Book Running Lead Managers at www.axiscapital.co.in, www.icicisecurities.com, www.jmf.com and www.sbcaps.com.



STANLEY LIFESTYLES LIMITED

Corporate Identity Number: U19116KA2007PLC044090; Date of Incorporation: October 11, 2007

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

THE PROMOTERS OF OUR COMPANY ARE SUNIL SURESH AND SHUBHA SUNIL

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and Offer for Sale	Fresh issue of up to [●] Equity Shares of face value of ₹ 2 aggregating up to ₹ 2,000.00 million	Offer for Sale of up to 9,133,454 Equity Shares of face value of ₹ 2 aggregating up to ₹ [●] million	Up to [●] Equity Shares of face value of ₹ 2 aggregating up to ₹ [●] million	The Offer is being made in accordance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). For further details, see "Other Regulatory and Statutory Disclosures – Eligibility for the Offer" on page 404. For details in relation to share reservation among QIBs, NIBs and RIBs, see "Offer Structure" on page 424.

DETAILS OF THE OFFER FOR SALE

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

* As certified by N B T and Co, Chartered Accountants, by way of their certificate dated June 13, 2024.

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited and BSE Limited For the purposes of the Offer, BSE Limited is the Designated Stock Exchange (the "Designated Stock Exchange").

PRICE BAND, MINIMUM BID LOT AND INDICATIVE TIMELINES

Price Band	₹351 per Equity Share to ₹369 per Equity Share of face value of ₹2 each.
Minimum Bid Lot Size	40 Equity Shares and in multiples 40 Equity Shares thereafter
Bid/Offer Opens On	Friday, June 21, 2024 ⁽¹⁾
Bid/Offer Closes On	Tuesday, June 25, 2024 ⁽²⁾
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, June 26, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Thursday, June 27, 2024
Allotment of Equity Shares/ Credit of Equity Shares to dematerialised accounts of Allottees	On or about Thursday, June 27, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday, June 28, 2024

⁽¹⁾ Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations, i.e. Thursday, June 20, 2024.

⁽²⁾ UPI mandate end time and date shall be at 5:00 pm on Bid/Offer Closing Date.

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The Book Running Lead Managers shall in their sole discretion, identify and fix liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

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

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹) #
Last 18 months	350.00	1.05	350.00-350.00

* As certified by N B T and Co, Chartered Accountants, pursuant to their certificate dated June 13, 2024.

Excluding Gift and Bonus transactions

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 2. The Floor Price, Cap Price and Offer Price (determined in compliance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "Basis for Offer Price" on page 130 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the Bidders is invited to "Risk Factors" on page 27.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Members of the Syndicate, Registrar to the Offer, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Underwriters, Bankers to the Offer, Investors' Associations or Self Certified Syndicate Banks ("SCSBs").

If you wish to know about processes and procedures applicable to this Offer, you may request for a copy of the RHP and/or the BID from the BRLMs or download it from the website of SEBI at www.sebi.gov.in, the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively and the websites of the BRLMs at www.axiscapital.co.in, www.icicisecurities.com, www.jmfl.com and www.sbcaps.com.

PRICE INFORMATION OF PAST ISSUES OF BRLMs

S. No.	Issue Name	Name of the BRLMs	+/- % change in closing price, [+/- % change in closing benchmark]-30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1	Awfis Space Solutions Limited	Axis, ISec,	-	-	-
2	Go Digit General Insurance Limited	Axis, ISec	-	-	-
3	TBO Tek Limited	Axis, JM Financial	-	-	-
4	Bharti Hexacom Limited	Axis, Isec, SBICAPS	+58.25%, [-2.13%]	-	-
5	Gopal Snacks Limited	Axis, JM Financial	-18.13%, [+1.57%]	-19.35%, [+4.60%]	-
6	Jana Small Finance Bank Limited	Axis, SBICAPS	-5.23%, [+1.77%]	+50.70%, [+1.33%]	-
7	Apeejay Surrendra Park Hotels Limited	Axis, JM Financial	+17.39%, [+3.33%]	+17.55%, [+2.03%]	-
8	Aadhar Housing Finance Limited	Isec, SBICAPS	-	-	-
9	JNK India Limited	Isec	+54.47% [+0.44%]	-	-
10	Popular Vehicles and Services Limited	Isec	-15.59% [+1.51%]	-	-
11	Juniper Hotels Limited	Isec, JM Financial	+43.76% [+1.71%]	+21.22% [+4.47%]	-
12	Entero Healthcare Solutions Limited	JM Financial, SBICAPS	-19.65% [0.30%]	-19.84% [0.77%]	-

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

13	GPT Healthcare Limited	JM Financial	-5.13%, [1.59%]	-20.67%, [3.68%]	-
14	Rashi Peripherals Limited	Isec, JM Financial	-0.77%, [1.77%]	1.06%, [1.33%]	-
15	R K Swamy Limited	SBICAPS	+58.25% [-2.13%]	-6.70% [+4.11%]	-
16	Medi Assist Healthcare Services Limited	SBICAPS	+22.32% [+3.40%]	+15.66% [+4.06%]	-
17	Jyoti CNC Automation Limited	SBICAPS	+78.07% [-0.87%]	+135.94% [+2.21%]	-

Source: www.nseindia.com and www.bseindia.com

Notes: a. Disclosures subject to 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLMs with common issues disclosed once. b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable. c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable. d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered. e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

For further details, please refer to “Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs” on page 410 of the RHP.

BOOK RUNNING LEAD MANAGERS

Axis Capital Limited Tel: +91 22 4325 2183 E-mail: stanley.ipo@axiscap.in Investor Grievance E-mail Id: complaints@axiscap.in	ICICI Securities Limited Tel: +91 22 6807 7100 E-mail: stanley.ipo@icicisecurities.com Investor Grievance E-mail Id: customercare@icicisecurities.com	JM Financial Limited Tel: +91 22 6630 3030 E-mail: stanleylifestyles.ipo@jmfl.com Investor Grievance E-mail Id: grievance.ibd@jmfl.com	SBI Capital Markets Limited[#] Tel: +91 22 4006 9807 E-mail: stanley.ipo@sbicaps.com Investor Grievance E-mail Id: investor.relations@sbicaps.com
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[#] SBI Capital Markets Limited is an associate of the Investor Selling Shareholder in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A of the SEBI Merchant Bankers Regulations and Regulation 23(3) of the SEBI ICDR Regulations, SBI Capital Markets Limited would be involved only in the marketing of the Offer.

Name of Syndicate Members	JM Financial Services Limited, SBICAP Securities Limited and Investec Capital Services (India) Private Limited
Name of Registrar to the Offer	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Tel: +91 40 6716 2222; E-mail ID: sll.ipo@kfintech.com; Investor grievance e-mail ID: einward.ris@kfintech.com
Name of Statutory Auditor	Deloitte Haskins & Sells LLP, Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	As this is an Offer consisting only of Equity Shares, there is no credit rating required for the Offer.
Name of Debenture Trustee	Not Applicable

Self-Certified Syndicate Banks	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Non Syndicate Registered Brokers	You can submit Bid cum Application Forms in the Offer to Non Syndicate Registered Brokers at the Non Syndicate Broker Centres. For further details, see section titled “Offer Procedure” beginning at page 427 of the RHP.
Self-Certified Syndicate Banks and mobile applications enabled for Unified Payments Interface Mechanism	In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate Self-Certified Syndicate Banks’ Branches	In relation to Bids (other than Bids by Anchor Investor) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.
Registered Brokers	The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com , respectively, as updated from time to time.
Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable:	The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures , as updated from time to time. For further details, see “Offer Procedure” on page 427 of the RHP .

PROMOTERS OF OUR COMPANY

Sr. No.	Name	Individual/Corporate	Experience and Education Qualification
1.	Sunil Suresh	Individual	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. Prior to the incorporation of our Company, he was associated with Stanley Seating, which was engaged in the business of manufacturing car seat leather upholstery.
2.	Shubha Sunil	Individual	She has cleared the bachelor's of science examination held by Bangalore University, Karnataka. She holds a certificate of completion of the INSEAD leadership programme for senior executives from INSEAD. She has been associated with our Company as a promoter and director since October 11, 2007. 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.

For details in respect of our Promoter, please see the section entitled "Our Promoter and Promoter Group" beginning on page 260 of the RHP.

OUR BUSINESS OVERVIEW AND STRATEGY

Company Overview:

We are a super-premium and luxury furniture brand in India and among the few home-grown super-premium and luxury consumer brands in India operating at scale in terms of manufacturing as well as retail operations. (Source: RedSeer Report) Further, we are the fourth largest player in the home furniture segment in India in terms of revenue in Fiscal 2023. (Source: RedSeer Report) We have the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian company present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands. (Source: RedSeer Report) For further information see "Our Business" on page 193 of the Red Herring Prospectus.

Geographies Served: India

Product/ Service Offering and Industries Served : Ultra-luxury, luxury and premium furniture products and the category of products include seating, automotive and others, beds and mattress, case goods, kitchen and cabinetry, and leather automotive interiors.

Key Performance Indicators ("KPIs") : A list of certain financial data, based on our Restated Consolidated Financial Information is set out below for the indicated period:

(₹ in million, except as otherwise stated)

Particulars	Nine months ended December 31, 2023 [#]	As at/for the Fiscals ended March 31		
		2023	2022	2021
Revenue from Operations ⁽¹⁾	3,133.11	4,189.98	2,922.04	1,957.80
Revenue from Operations Growth (%) ⁽²⁾	-.**	43.39	49.25	-.*
Profit for the year/period ⁽³⁾	186.97	349.77	232.19	19.23
PAT Growth (%) ⁽⁴⁾	-.**	50.64	1,107.60	-.*
Trade Receivables days ⁽⁵⁾	18	15	21	-.*
Inventory days ⁽⁶⁾	251	214	270	-.*
Trade Payable days ⁽⁷⁾	83	81	99	-.*
Cash Conversion Cycle ⁽⁸⁾	185	148	192	-.*

[#] Not included as the comparative period figures under Ind-AS for FY 2020 / as on March 31, 2020 are not available. ^{**}Revenue from operations growth and PAT growth for nine months ended December 31, 2023, has not been included as the comparative period financial information has not been included in this Red Herring Prospectus. ^{*} Not annualized

Notes: 1) Revenue from Operations means Revenue from sale of products, other operating revenue, and contract balances. 2) Revenue growth (year on year) means the annual growth in Revenue from Operations. 3) Profit for the year/period means the profit for the year/period as appearing in the Restated Financial Information. 4) PAT Growth (year on year) means the annual growth in Profit for the year. 5) Trade Receivables Days is calculated as 365/183 divided by (Revenue from operations / average trade receivables). 6) Inventory Days is calculated as 365/183 divided by (cost of goods sold / average inventory). Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and Change in inventories. 7) Trade Payable Days is calculated as 365/183 divided by (total purchase of raw material and stock in trade / average trade payables). 8) Cash Conversion Cycle is sum of Trade Receivable Days and Inventory Days as reduced by Trade Payable Days.

A list of our certain non-GAAP measures, is set out below for the indicated period:

(₹ in million, except as otherwise stated)

Particulars	Nine months ended December 31, 2023 [#]	As at/for the Fiscals ended March 31		
		2023	2022	2021
Gross Profit ⁽¹⁾	1,659.05	2,147.11	1,481.52	982.40
Gross Margin ⁽²⁾ (%)	52.95	51.24	50.70	50.18
EBITDA ⁽³⁾	577.65	827.17	590.08	297.75
EBITDA Growth ⁽⁴⁾ (%)	-.**	40.18	98.18	-.*
EBITDA Margin ⁽⁵⁾ (%)	18.44	19.74	20.19	15.21
PAT Margin ⁽⁶⁾ (%)	5.97	8.35	7.95	0.98
Return on Equity ⁽⁷⁾ (%)	7.92	16.29	11.81	1.03
Return on Capital Employed ⁽⁸⁾ (%)	8.63	16.63	12.90	5.52

[#] Not included as the comparative period figures under Ind-AS for FY 2020 / as on March 31, 2020, are not available. ^{**}EBITDA growth for nine months ended December 31, 2023 has not been included as the comparative period financial information has not been included in the Red Herring Prospectus. ^{*} Not annualized

Notes: 1) Gross Profit is calculated as Revenue from Operations less Cost of Goods Sold. Cost of goods sold is the sum of Cost of materials consumed, Purchases of stock-in-trade and increase/ decrease in inventories. 2) Gross Margin is calculated as Gross Profit divided by Revenue from Operations. 3) EBITDA is calculated as restated profit before tax plus finance costs, depreciation and amortisation expense less other income. 4) EBITDA Growth (year on year) means the annual growth in EBITDA. 5) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations. 6) PAT Margin is calculated as restated profit for the year/period divided by Revenue from Operations. 7) Return on Equity (%) is calculated as restated profit for the year/period divided by average total equity. 8) Return on Capital Employed (%) is calculated as EBIT divided by Capital Employed. EBIT is calculated as restated profit for the year/period plus total tax expense plus finance costs and Capital employed is calculated as the sum of Total Equity, Current Borrowings, Non-Current Borrowings, Non-Current & Current Lease Liabilities and as reduced by Goodwill on consolidation, Intangible assets and Intangible assets under development.

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 193 and 349, respectively.

Intellectual Property: Our Company, entered into the Trademark and Copyright Assignment Deed- I with one of our Promoters, Sunil Suresh pursuant to which Sunil Suresh transferred a total of 24 trademarks and copyrights to our Company, all of which are pending registration. Out of these 24 trademarks and copyrights, seven are objected.

Our Company, entered into the Assignment Deeds with one of our Promoters, Sunil Suresh pursuant to which Sunil Suresh transferred (a) a total of 137 trademarks to our Company, of which 51 trademarks are pending for registration and 42 of such 51 trademarks including “Stanley Vegan Leather” are currently objected and opposed to; and (b) 31 copyrights to our Company.

Market Share: Fourth largest player in the home furniture segment in India in terms of revenue in Fiscal 2023. (Source: RedSeer Report)

Manufacturing Facilities: We operate two manufacturing facilities located at Electronic City, Bengaluru, Karnataka and Bommasandra Jigani Link Road, Bengaluru, Karnataka.

Employee Strength: As of March 31, 2021, March 31, 2022 and March 31, 2023, we had 673, 703 and 786, employees, respectively. Further, as of December 31, 2023, we had 778 employees For further information, see “Our Business – Human Resources” on page 226 of the Red Herring Prospectus.

BOARD OF DIRECTORS

S. No.	Name and designation	Experience and educational qualification	Other directorships
1	Sunil Suresh Managing Director	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. Prior to the incorporation of our Company, he was associated with Stanley Seating, which was engaged in the business of manufacturing car seat leather upholstery.	<ul style="list-style-type: none"> • ABS Seating Private Limited; • Sana Lifestyles Limited; • Scheek Home Interiors Limited; • Shраста Decor Private Limited; • Stanley OEM Sofas Limited; • Stanley Retail Limited; and • Staras Seating Private Limited.
2.	Shubha Sunil Whole Time Director	She has cleared the bachelor’s of science examination held by Bangalore University, Karnataka. She holds a certificate of completion of the INSEAD leadership programme for senior executives from INSEAD. She has been associated with our Company as a promoter and director since October 11, 2007. 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.	<ul style="list-style-type: none"> • ABS Seating Private Limited; • Sana Lifestyles Limited; • Scheek Home Interiors Limited; • Shраста Decor Private Limited; • Stanley OEM Sofas Limited; • Stanley Retail Limited; and • Staras Seating Private Limited.
3.	Vishal Verma Non-Executive Nominee Director ⁽¹⁾	He holds a master’s degree in business administration from Indian Institute of Foreign Trade, New Delhi. He has over 18 years of experience including 15 years on the buy side in private equity funds. He currently works as an Investment Director with Oman India Joint Investment Fund Management Company Private Limited and has been with the fund since December 3, 2012. Prior to his current organisation, he worked with ICICI Bank Limited.	<ul style="list-style-type: none"> • Stanley Retail Limited
4.	Girish Shrikrishna Nadkarni Independent Director	He holds a bachelor’s degree in commerce from the University of Mumbai and has cleared the examination held by the Institute of Cost Accountant of India (erstwhile the Institute of Cost and Work Accountants of India). He holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has over 16 years of experience and has previously worked with IL&FS Investsmart Limited, Avendus Capital Private Limited and Motilal Oswal Investment Advisors Private Limited. He is currently serving as a director on the board of Clair Advisors Private Limited.	<ul style="list-style-type: none"> • Clair Advisors Private Limited • Stanley Retail Limited
5.	Ramanujam Venkat Raghavan Independent Director	He has cleared the bachelor’s of commerce examination held by Bangalore University. He has over 18 years of experience and is currently working with Shahi Exports Private Limited as the chief executive officer and director.	<ul style="list-style-type: none"> • Shahi Exports Private Limited
6.	Anusha Shetty Independent Director	She holds a post graduate diploma in management from T. A. Pai Management Institute, Manipal. She has over 17 years of experience and is currently working with Grey Group India as chairperson and group chief executive officer.	<ul style="list-style-type: none"> • Autumn Advertising Private Limited; • The Advertising Standards Council of India; • Batey India Private Limited; • G2 Communications Private Limited; • Grey Worldwide (India) Private Limited; • G2 Rams India Private Limited; and • Trikaya Communications Private Limited

⁽¹⁾ Nominee of Oman India Joint Investment Fund II.

For further details in relation to our Board of Directors, see “Our Management” on page 245 of the RHP.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 2,000.00 million by our Company and the Offer for Sale of up to 9,133,454 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. For details, see “*The Offer*” beginning on page 72.

Offer for Sale

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

Net Proceeds

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

(₹ in million)

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

⁽¹⁾ To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

⁽²⁾ For details see “- Offer expenses” on page 126.

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

(₹ in million)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds ⁽¹⁾	Estimated deployment of the Net Proceeds in Fiscal 2025	Estimated deployment of the Net Proceeds in Fiscal 2026	Estimated deployment of the Net Proceeds in Fiscal 2027
1.	Investment in certain Subsidiaries for:				
a.	<i>opening of New Stores by such Subsidiaries</i>	901.27	428.59	177.43	295.25
b.	<i>opening the Anchor Stores by such Subsidiaries</i>	399.90	-	251.40	148.50
c.	<i>renovation of the Existing Stores by such Subsidiaries</i>	100.40	30.92	25.21	44.27
2.	Funding the capital expenditure requirements for purchase of new machinery and equipment by our Company and our Material Subsidiary, Stanley OEM Sofas Limited	66.59	66.59	-	-
3.	General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

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

Means of finance:

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

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: ICRA Limited

Shareholding Pattern as on the date of the RHP:

Category of Shareholder	Pre-Offer number of shares	% Holding of Pre-Offer
Promoters and Promoter Group	34,755,280	67.35
Public	16,841,888	32.65
Total	51,597,168	100.00

Number/Amount of equity shares proposed to be sold by Selling Shareholders: Up to 9,133,454 Equity Shares aggregating up to ₹[●] million.

SUMMARY OF RESTATED FINANCIAL INFORMATION

(in ₹ million, except as otherwise stated)

Particulars	As at and for the nine months period ended December 31, 2023	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
Revenue from operations	3,133.11	4,189.98	2,922.04	1,957.80
Restated Profit for the year	186.97	349.77	232.19	19.23
Restated Profit before tax	247.26	464.00	319.36	62.20
Equity share capital	103.19	73.71	73.71	73.71
Other equity	2,268.92	2,091.31	1,923.84	1,755.61
Total equity attributable to equity holder	2,372.11	2,165.02	1,997.55	1,829.32
Basic per Equity Share with a nominal value of ₹2 (in ₹)	3.83*	6.37	4.14	0.20
Diluted earnings per Equity Share with a nominal value of ₹2 each (in ₹)	3.83*	6.37	4.14	0.20
Return on Net Worth (%)	8.34*	15.18	10.69	0.56
Net asset value per Equity Share (in ₹)	45.97	41.96	38.71	35.45

*Not annualised

For further details, see “Restated Financial Information” beginning on page 266 and “Summary of Restated Financial Information” beginning on page 341 of the RHP.

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP, For further details, see on page 27 of the RHP.

1. We do not own the brand name “Stanley” which is registered in the name of one of our Promoters, Sunil Suresh. While we have entered into the Assignment Deeds with Sunil Suresh, however, the trademarks are yet to be registered in our name. Further, one of our Promoters, Sunil Suresh has entered into a co-existence agreement with Stanley Furniture Company, Inc to limit and restrict the use of the term “Stanley” as a trademark in a composite manner in respect of products. In the event that the intellectual property rights to be assigned to us pursuant to the Assignment Deeds are not registered in our name in a timely manner or any breach or termination of the co-existence agreement occurs, it may adversely affect our business and financial condition.
2. Our business is highly dependent on the sale of sofas and recliners. Variations in demand and changes in consumer preference for our sofa and recliner products could have an adverse effect on our business, results of operations and financial condition.
3. Our Company does not have any listed industry peers in India or abroad and it may be difficult to benchmark and evaluate our financial performance against other operators who operate in the same industry as us.
4. We generated a substantial portion of our sales from our stores located in southern regions of India and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.
5. Any delay, interruption, or reduction in the supply of key raw materials such as leather and wood required to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

SUMMARY OF OUTSTANDING LITIGATION CLAIMS AND REGULATORY ACTION

- A. A summary of outstanding litigation proceedings as on the date of the Red Herring Prospectus as disclosed in the section titled “Outstanding Litigation and Material Developments” on page 381 of the RHP in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)*
Company						
By our Company	Nil	Nil	Nil	Nil	Nil	NA
Against our Company	Nil	6	4	Nil	1	36.71
Directors[#]						
By the Directors	Nil	Nil	Nil	Nil	Nil	NA
Against the Directors	Nil	18	Nil	Nil	Nil	31.47
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	NA
Against the Promoters	Nil	13	Nil	Nil	Nil	30.79
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	NA
Against the Subsidiaries	Nil	4	11	Nil	1	6.19

[#] Includes Promoters.

* To the extent quantifiable.

B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against our Company and amount involved:

S. No.	Particulars	Litigation filed by	Current Status	Amount Involved
1	A suit has been filed in the Small Causes Court of Bombay (“Court”) against our Company for non-payment of compensation and license fees, hoarding and other display and maintenance charges amounting to ₹ 26.33 million (excluding interest) for the space allocated to our Company for display and sales of its products (“Premise”) in Atria Mall, Mumbai, Maharashtra as per the leave and license agreement dated May 30, 2009 executed between the petitioner and our Company. Subsequently, our Company had submitted a written statement dated December 17, 2012, to the Court, making a counter claim against the petitioner for loss suffered due to the poor maintenance in Atria Mall, Mumbai, Maharashtra which caused hindrance in completion of the interior designing work started by our Company on the Premise. On account of loss in the business suffered by our Company, a counter claim of ₹ 46.56 million was made on December 17, 2012 against the petitioner. The matter is still pending.	M/s Alif Enterprises and Others	Pending	₹ 46.56 million
2.	For assessment year 2009-10, the Company filed a revised income tax return, declaring a total income of ₹ 45.62 million with a balance tax liability of ₹ 16.73 million as well as value for fringe benefits of ₹ 1.32 million with a balance tax liability of ₹ 0.49 million. The Company paid the balance tax liability including applicable interest. However, the income tax portal continues to reflect outstanding demands of ₹ 15.71 million and ₹ 0.58 million to be paid by the Company, for the assessment year 2009-10. Further, the Company has received an issue letter dated January 27, 2023, from the Office of the Deputy Commissioner of Income Tax Central Circle-1(1) at Bangalore, Income Tax Department, Government of India demanding payments towards demands outstanding for various assessment years from 2008 to 2016 including outstanding demands of ₹ 2.71 million and ₹ 0.58 million for the assessment year 2009-10. The Company has on March 30, 2023 replied to the issue letter denying the claims of outstanding demand along with certain documents to demonstrate that all the tax liabilities for the assessment year 2009-10 had been discharged by the Company and has requested for a rectification of records. The matter is currently pending for rectification of records before the concerned tax authorities.	Deputy Commissioner of Income Tax Central Circle-1(1) at Bangalore, Income Tax Department, Government of India	Matter is still pending	₹ 2.71 million and ₹ 0.58 million
3.	Our Company has received a bond enforcement order dated January 31, 2024 (“Order”) from the Assistant Commissioner of Customs demanding a payment of import duty aggregating to an amount of ₹3.80 million (“Duty”) under Section 142 of the Customs Act, 1962. The Order alleged our Company has executed bond in contravention to its EPCG license undertaking to pay the duty foregone along with interest in an event of failure to complete the export obligation and further alleged that our Company failed to complete their corresponding export obligation and were therefore liable to pay the Duty. Subsequently, our Company received a notice dated October 18, 2023, from the Commissioner demanding payment of the Duty. Our Company applied for an extension of their EPCG license before the Policy Relaxation Committee and obtained recommendation to grant extension. Subsequently, our Company filed an application with the Directorate General of Foreign Trade to obtain the extension. The matter is currently pending.	Assistant Commissioner of Customs	Matter is still pending	₹ 3.80 million

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any : Nil

D. Brief details of outstanding criminal proceedings against the Promoters: Nil

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” on page 381 of the RHP.

ANY OTHER IMPORTANT INFORMATION AS PER BRLMS/COMPANY - NIL

DECLARATION BY OUR COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines, regulations or rules issued by the Government of India and the guidelines, regulations or rules issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements and disclosures made in the Red Herring Prospectus are true and correct.

DECLARATION BY THE SELLING SHAREHOLDERS

Each of the Selling Shareholders, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in the Red Herring Prospectus in relation to me, as one of the Selling Shareholder and my portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in the Red Herring Prospectus.