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STANLEY LIFESTYLES LIMITED

Our Company was originally formed as a partnership firm under the Partnership Act, 1932, as amended, in the name of 'Stanley Seating' pursuant to a deed of partnership dated February 1, 2007. Our Company was thereafter incorporated as a public limited company as 'Stanley Lifestyles Limited' upon its conversion from a partnership firm in accordance with the provisions of Part IX of the Companies Act, 1956 and received a fresh certificate of incorporation dated October 11, 2007 and a certificate for commencement of business dated December 14, 2007 from the RoC. For details in relation to changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 234 of the red herring prospectus dated June 13, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

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



(Please scan the QR code to view the RHP)

THE PROMOTERS OF OUR COMPANY ARE SUNIL SURESH AND SHUBHA SUNIL

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF STANLEY LIFESTYLES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 2,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 9,133,454 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS AS PER THE TABLE PROVIDED BELOW:

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

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

We are a luxury furniture brand in India retailing our furniture products under the "Stanley" brand.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 50% of the Offer • Non-Institutional Portion: Not less than 15% of the Offer • Retail Portion: Not less than 35% of the Offer

PRICE BAND: ₹351 TO ₹369 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH

WEIGHTED AVERAGE COST OF ACQUISITION FOR ALL EQUITY SHARES TRANSACTED DURING FOR LAST EIGHTEEN MONTHS IS ₹350.00.

THE FLOOR PRICE IS 175.50 TIMES THE FACE VALUE OF THE EQUITY SHARES AND

THE CAP PRICE IS 184.50 TIMES THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 40 EQUITY SHARES AND IN MULTIPLES OF 40 EQUITY SHARES THEREAFTER

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated June 13, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section on pages 130-136 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section on pages 130-136 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS:

- 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 and financial condition. The contribution of the sale of sofas and recliners, as a percentage of revenue from operations is as provided below:

Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
56.22%	57.35%	56.40%	55.62%

- We generated a substantial portion of our sales from our stores located in the states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana ("South Region"). As of December 31, 2023, we operated 31 out of 38 "company owned and company operated" or "COCO" stores and 17 out of 24 "franchisee-owned and franchisee-operated" or "FOFO" stores out of South Region. The contribution of the revenue from operations from South Region, as a percentage of revenue from operations is as provided below:

Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
79.77%	82.22%	82.80%	80.98%

- We market and sell our products through our network of stores. As of December 31, 2023, we operated 38 "company owned and company operated" or "COCO" stores and 24 "franchisee-owned and franchisee-operated" or "FOFO" stores. If we are unable to effectively manage or expand our retail network and operations or pursue our growth strategy, our new stores as well as our existing stores may not achieve our expected level of profitability. The Company closed 1, nil, 1 and 3 stores in December 31, 2023, Fiscal 2023, 2022 and 2021, respectively. Further, post December 31, 2023, we have closed 2 stores and are in process of closing one more store.
- Majority of our raw materials used in the manufacture of our products are imported, including leather which is the primary raw material used in our products, which we import from suppliers located in Europe.

Particulars	Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Cost of imported raw materials as a percentage of cost of materials consumed	67.94%	54.33%	58.34%	78.76%

Particulars	Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Percentage of amount of total leather imported from our top five suppliers	97.94%	89.01%	89.37%	91.90%

- We are reliant on our company owned company operated stores for a majority of our sales. The contribution of the sale "company owned and company operated" or "COCO" stores, as a percentage of revenue from operations is as provided below:

Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
62.16%	63.08%	60.21%	62.13%

- Our business involves prolonged inventory days and extended cash conversion cycle.

Particulars	Nine months ended December 31, 2023	Fiscal 2023	Fiscal 2022
Inventory Days	251 days	214 days	270 days
Cash Conversion Cycle	185 days	148 days	192 days

- 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.
- Our Company will not receive any proceeds from the Offer for Sale.
- 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. A total of 192 trademarks and copyrights were transferred to our Company, of which 75 are pending registration, out of which 49 are objected and opposed to. 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.
- The Price to Earnings ratio based on basic and diluted EPS for Fiscal 2023 at the upper end of the Price band is as high as 57.93 as compared to the Price to Earnings Ratio of Nifty 50 index as on June 12, 2024 is 22.18.

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- The average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹3.05 to ₹108.22 per Equity Share, and the Offer Price at upper end of the Price Band is ₹369.
- Weighted Average Return on Net Worth for Fiscals 2023, 2022 and 2021 is 11.25%.
- Weighted average cost of acquisition of all shares transacted in the last eighteen months as on the date of the Red Herring Prospectus:

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.

- The four BRLMs associated with the Offer have handled 72 public issues in the past three Financial Years, out of which 19 issues closed below the Offer price on the listing date.

Name of the BRLMs	Total Issues	Issues closed below IPO Price on listing date
Axis Capital Limited*	5	-
ICICI Securities Limited*	12	2
JM Financial Limited*	9	1
SBI Capital Markets Limited*	5	3
Common issues of above BRLMs	41	13
Total	72	19

*Issues handled where there were no common BRLMs

BID/ OFFER PROGRAMME	ANCHOR INVESTOR BIDDING DATE THURSDAY, JUNE 20, 2024*
	BID/ OFFER OPENS ON FRIDAY, JUNE 21, 2024
	BID/ OFFER CLOSES ON TUESDAY, JUNE 25, 2024**

*Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations.

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

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined in compliance with the SEBI/ICDR Regulations, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹2 each and the Offer Price is [●], and Floor Price is 171.50 times the face value and the Cap Price is 184.50 times the face value. Investors should also see "Risk Factors", "Summary of Financial Information", "Our Business", "Restated Consolidated Financial Information", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 27, 74, 193, 266 and 349 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- Largest and the fastest growing brand in the luxury/super-premium furniture segment;
- Comprehensive home furniture provider with offerings across categories and price points;
- Pan-India presence with strategically located stores;
- Focus on design-led product innovation;
- Vertically integrated manufacturer with skilled craftsmanship capabilities;
- Efficient business model with track record of delivering financial growth; and
- Promoter-led company with experienced professional and senior management team.

For details, see "Our Business – Competitive Strengths" on page 197 of the RHP.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "Restated Consolidated Financial Information" beginning on page 266 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹2):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	6.37	6.37	3
March 31, 2022	4.14	4.14	2
March 31, 2021	0.20	0.20	1
Weighted Average	4.60	4.60	
Nine months ended December 31, 2023*	3.83	3.83	N.A

*Not annualised

Notes:

- 1) Earnings per Equity Share = Profit attributable to owners of our Company for the year /period /Weighted average number of equity shares outstanding during the year/period.
- 2) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year]/[Total of weights]
- 3) Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended), read with the requirements of the SEBI/ICDR Regulations.
- 4) Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.
- 5) On June 23, 2023, our Company allotted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.
- 6) The figures disclosed above are derived from the Restated Consolidated Financial Information of our Company.

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹351 to ₹369 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2023	55.10	57.93
Based on diluted EPS for year ended March 31, 2023	55.10	57.93

Notes:

1) P/E ratio = Price per equity share / Earnings per equity share.

C. Industry Peer Group P/E ratio

There are no listed companies in India and globally that engage in a business that is similar to that of our Company. Accordingly, we have not provided an industry comparison in relation to our Company.

D. Return on Net worth ("RoNW")

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2023	15.18%	3
March 31, 2022	10.69%	2
March 31, 2021	0.56%	1
Weighted Average	11.25%	
Nine months ended December 31, 2023*	8.34%	N.A.

*Not annualised

Notes:

- 1) Return on Net Worth (%) = Restated profit/(loss) attributable to the owners of the Company divided by total equity attributable to equity shareholders of the Company (excluding non controlling interests).
- 2) Net Worth represents equity attributable to the equity holders of our Company (excluding non controlling interests).
- 3) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(RoNW x Weight).

E. Net Asset Value ("NAV") per Equity Share

Particulars	Amount (₹)
As on December 31, 2023	45.97
As on March 31, 2023	41.96
After the completion of the Offer*	
- At the Floor Price	76.31
- At the Cap Price	76.68
Offer Price	●

*Net Asset Value per Equity Share after the Offer has been derived by dividing total equity as on December 31, 2023 (as adjusted for change in equity share capital and securities premium on account of fresh issue) by potential number of equity shares outstanding post offer, respectively at the Floor Price and Cap Price.

Notes:

- 1) Net Asset Value per Equity Share = Net Worth at the end of the year /period/Weighted number of equity shares outstanding at the end of the year/period.
- 2) Net Worth represents equity attributable to the equity holders of our Company (excluding non controlling interests).
- 3) Pursuant to a resolution passed by our Board on June 16, 2023 and a resolution passed by the Shareholders on June 19, 2023, each equity share of face value of ₹10 each has been split into 5 Equity Shares of face value of ₹2 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 7,371,024 equity shares of face value of ₹10 each to 36,855,120 equity shares of face value of ₹2 each.
- 4) On June 23, 2023, our Company allotted 14,742,048 Equity Shares pursuant to bonus issuance, in the ratio of 2 Equity Share for every 5 existing fully paid up Equity Shares.
- 5) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

F. Key Performance Indicators

The tables below set forth the details of our certain financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and the operational KPIs verified and audited (as certified by the Independent Chartered Accountant, by way of their certificate dated June 13, 2024), disclosed below have been approved and confirmed by a resolution of our Audit Committee dated June 7, 2024. The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company and were presented in the past meetings of the Board and Audit Committee or shared with the shareholders during the three years preceding the date of the Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this "Basis for Offer Price" section, have been identified and verified by the management of our Company and have been certified by the Independent Chartered Account. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and the operational KPIs have been certified by the Independent Chartered Accountant by way of their certificate dated June 13, 2024, which has been included in "Material Contracts and Documents for Inspection – Material Documents" on page 448 of the RHP.

A list of certain financial data, based on our Restated Consolidated Financial Information is set out below for the indicated period:

Particulars	Nine months ended December 31, 2023*	As at/for the Fiscals ended March 31		
		2023	2022	2021
Revenue from Operations ⁽ⁱ⁾	3,133.11	4,189.98	2,922.04	1,957.80
Revenue from Operations Growth (%) ⁽ⁱⁱ⁾	-**	43.39	49.25	-*
Profit for the year/period ⁽ⁱⁱⁱ⁾	186.97	349.77	232.19	19.23
PAT Growth (%) ^(iv)	-**	50.64	1,107.60	-*
Trade Receivables days ^(v)	18	15	21	-*
Inventory days ^(vi)	251	214	270	-*
Trade Payable days ^(vii)	83	81	99	-*
Cash Conversion Cycle ^(viii)	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 the 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:

Particulars	Nine months ended December 31, 2023*	As at/for the Fiscals ended March 31		
		2023	2022	2021
Gross Profit ⁽ⁱ⁾	1,659.05	2,147.11	1,481.52	982.40
Gross Margin ⁽ⁱⁱ⁾ (%)	52.95	51.24	50.70	50.18
EBITDA ⁽ⁱⁱⁱ⁾	577.65	827.17	590.08	297.75
EBITDA Growth ^(iv) (%)	-**	40.18	98.18	-*
EBITDA Margin ^(v) (%)	18.44	19.74	20.19	15.21
PAT Margin ^(vi) (%)	5.97	8.35	7.95	0.98
Return on Equity ^(vii) (%)	7.92	16.29	11.81	1.03
Return on Capital Employed ^(viii) (%)	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.

For reconciliation of certain non-GAAP financial measures, see "Other Financial Information – Reconciliation of Non-GAAP Financial Measures" on page 341 of the RHP.

A list of our certain operational KPIs, is set out below for the indicated period:

Format*	As of March 31,						As of December 31,	
	2021		2022		2023		2023	
	Stores	Cities	Stores	Cities	Stores	Cities	Stores	Cities
Company Owned and Company Operated Stores								
Stanley Level Next	3	1	4	2	5	3	6	4
Stanley Boutique	7	5	7	5	9	5	10	5
Sofas & More by Stanley	8	1	14	2	17	2	19	3
Others ⁽ⁱ⁾	1	1	2	2	3	2	3	2
Total (A)	19	5	27	5	34	5	38*	5
Franchisee Owned Franchisee Operated Stores								
Stanley Level Next	-	-	1	1	1	1	1	1
Stanley Boutique	3	3	3	3	4	3	4	3
Sofas & More by Stanley	3	3	9	9	15	15	19	19
Total (B)	6	5	13	11	20	17	24	21
Total (A+B)	25	9	40	15	54	21	62	25

* Includes stores under renovation

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

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

Subject to applicable law, our Company confirms that it shall continue to disclose all the above financial data based on the Restated Consolidated Financial Information, certain non-GAAP measures and KPIs included in this "Basis for Offer Price" section, on a periodic basis, at least once in a year (or for any lesser period as determined by our Board), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under "Objects of the Offer" section on page 102 of the RHP.

G. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business. See "Risk Factors – Internal Risks - Internal Risks relating to the Financials of the Company - We have in this Red Herring Prospectus included certain Non-GAAP Measures and certain other industry measures related to our operations and financial performance. These Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies" on page 56 of the RHP.

Explanations for the certain financial data based on Restated Consolidated Financial Information

Certain financial data	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Revenue from Operations Growth	Revenue from Operations growth provides information regarding the growth of our business for the respective period.
Restated profit for the year/ period	Restated profit for the year/period provides information regarding the overall profitability of the business.
PAT Growth	PAT growth provides information regarding the growth of our operational performance for the respective period.
Trade Receivables days	Trade Receivables days is the average number of days required for a company to receive payments from its customers.
Inventory days	Inventory days is the average number of days required for a company to convert its inventory into sales.
Trade Payable days	Trade Payable days is the average number of days required for a company to pay its suppliers.
Cash Conversion Cycle	Cash Conversion Cycle is the time it takes to convert net current assets and current liabilities into cash.

Explanations for certain non-GAAP measures

Certain non-GAAP measures	Explanations
Gross Profit	Gross Profit assesses the Company's operational efficiency at using its labour and costs in producing goods or services.
Gross Margin	Gross Margin is an indicator of the operational efficiency and financial performance of the business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Growth	EBITDA growth provides information regarding the growth of our operational performance for the respective period.
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
Return on Equity	Return on equity provides how efficiently the Company generates profits from shareholders' funds.
Return on Capital Employed	Return on capital employed provides how efficiently the Company generates earnings from the capital employed in the business.

Explanations for operational KPIs

Operational KPIs	Explanations
Stores	Stores data is a key metric used to assess the performance and growth of our business. Our Company markets and sells products through their network of stores under multiple formats. Our Company operates through "company owned and company operated" or "COCO" stores and "franchisee-owned and franchisee-operated" or "FOFO" stores. Sales and profit can be achieved by increasing stores across various formats and multiple cities.

H. Comparison with Listed Industry Peers

We are one of the few Indian companies present across various price points, i.e., super-premium, luxury and ultra-luxury segment, through our various brands (Source: RedSeer Report). According to the RedSeer Report, as of January 31, 2024, our retail presence in India was three times the size of our nearest competitor in the luxury/super-premium furniture industry. Over the years, we have developed a vertically integrated model that gives us control over our processes, right from procurement of raw materials, design, production, marketing and retail. Further, we are one of the few organized vertically integrated furniture manufacturers with infrastructure capable of manufacturing and producing furniture for every room (Source: RedSeer Report). Given the size of our manufacturing as well as retail, there are no direct listed companies in India or internationally with whom our business model can be compared that matches the size and scale of our business operations. Accordingly, it is not possible to provide an industry comparison to our Company.

Weighted average cost of acquisition ("WACA"), floor price and cap price

1. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP 2022 and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Our Company has not issued any Equity Shares, excluding issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

2. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Draft Red Herring Prospectus / the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

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There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("Security(ies)"), where the Promoter, members of the Promoter Group, Selling Shareholders or the Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre- Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

3. Since there are no such transaction to report to under 1 and 2, the following are the details basis the last five primary or secondary transactions (secondary transactions where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions:

Date of allotment	No. of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ Million)
Primary issuances						
June 23, 2023	14,742,048	2.00	NA	Bonus Issue of Equity Shares in the ratio of 2 Equity Shares for every 5 Equity Shares	NA	Nil
Weighted average cost of acquisition (WACA) (primary issuances) (₹ per Equity Share)						Nil
Secondary transactions						
None						
Weighted average cost of acquisition (WACA) (secondary transactions) (₹ per Equity Share)						Not Applicable

4. The Floor Price is 'X' times and the Cap Price is 'X' times the weighted average cost of acquisition at which the equity shares were issued by our Company, or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors are disclosed below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price (i.e. ₹ 351)	Cap price (i.e. ₹ 369)
WACA of Primary issuances	Not Applicable	Not Applicable	Not Applicable
WACA of Secondary transactions	Not Applicable	Not Applicable	Not Applicable
Since both a) and b) in not applicable (last 3 years transactions)			
Based on primary transactions	Nil*	Nil	Nil
Based on Secondary transactions	Not Applicable	Not Applicable	Not Applicable

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

* Only Primary transaction in the Equity Shares in last 3 years has been through bonus issue of equity shares.

For further details, please see the chapter titled "BASIS FOR OFFER PRICE" beginning on page 130 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. One-third of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 1.00 million provided that under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" on page 427 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders bidding through the UPI Mechanism) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA* | Simple, Safe, Smart way of Application!!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account. For further details, check section on ASBA. **Mandatory in public issues. No cheque will be accepted.**



UNITED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CBDT Circular No. 7 of 2022 dated March 30, 2022 read with the press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Offer Procedure" on page 418 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFp=yes&intmld=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFp=yes&intmld=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. ICICI Bank Limited has been appointed as the Sponsor Bank for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

BOOK RUNNING LEAD MANAGERS TO THE OFFER				REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 AXIS CAPITAL Axis Capital Limited 1 st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: stanley ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Pratik Pednekar SEBI Registration No.: INM000012029	 ICICI Securities ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: stanley ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Namrata Ravasia SEBI Registration No.: INM000011179	 JM FINANCIAL JM Financial Limited 7 th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: stanleylifestyles ipo@jmfml.com Investor grievance e-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	 SBICAPS Complete Investment Banking Solutions SBI Capital Markets Limited* 1501, 15 th Floor, A & B Wing Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Maharashtra, India Tel: +91 22 4006 9807 E-mail: stanley ipo@sbicaps.com Investor grievance e-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Janardhan Wagle/Krithika Shetty SEBI Registration No.: INM000003531	 KFINTECH EXPERIENCE TRANSFORMATION KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium, Tower B, Plot No.31-32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: sil ipo@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221	Akash Shetty STANLEY LIFESTYLES LIMITED SY No. 16/2 and 16/3 Part Hosur Road, Veerasandra Village Attibele Hobli, Anekal Taluk Bengaluru Karnataka 560 100 Tel: +91 80 6895 7200 E-mail: compliance@stanleylifestyles.com Website: www.stanleylifestyles.com Investors may contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

* 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.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 27 of the RHP before applying in the Offer. A copy of the RHP is available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLMs, Axis Capital Limited at www.axiscapital.co.in, ICICI Securities Limited at www.icicisecurities.com, JM Financial Limited at www.jmfml.com and SBI Capital Markets Limited at www.sbicaps.com respectively, the website of the Company, Stanley Lifestyles Limited at www.stanleylifestyles.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE Limited at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, **STANLEY LIFESTYLES LIMITED:** Telephone: +91-80 6895 7200; **BRLMs:** Axis Capital Limited, Tel: +91 22 4325 2183; ICICI Securities Limited, Tel: +91 22 6807 7100; JM Financial Services Limited, Tel: +91 22 6630 3030 and SBI Capital Markets Limited, Tel: +91 22 4006 9807 and **Syndicate Members:** JM Financial Services Limited, Telephone Number: +91 22 6136 3400; SBICAP Securities Limited, Tel: (+91) 22 69316204 and Investec Capital Services (India) Private Limited, Tel: (+91) 22 6849 7400 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Almondz Global Securities Ltd.; Anand Rath Share & Stock Brokers Limited; Anand Share Consultancy; ANS Pvt Limited; Ashwani Dandia & Co; Asit C Mehta Investment Intermediates Limited; Axis Securities Limited; Bajaj Financial Securities Ltd.; Centrum Broking Limited; Centrum Wealth Management Ltd.; Choice Equity Broking Private Limited; DB(International) Stock Brokers Ltd.; Eureka Stock & Share Broking Services Ltd.; Fisdom Technology Services Limited; G Raj & Co. (Consultants) Limited; Globe Capital Markets Ltd.; HDFC Securities Limited; IDBI Capital Markets and Securities Ltd.; IIFL Securities Limited; IIFL Wealth Management Ltd.; Jhaveri Securities; Jobanputra

STANLEY LIFESTYLES LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed a red herring prospectus dated June 13, 2024 with the RoC. The RHP is made available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the BRLMs i.e., Axis Capital Limited at www.axiscapital.co.in, ICICI Securities Limited at www.icicisecurities.com, JM Financial Limited at www.jmfml.com and SBI Capital Markets Limited at www.sbicaps.com, the website of the NSE at www.nseindia.com and the website of the BSE at www.bseindia.com and the website of the Company at www.stanleylifestyles.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled "Risk Factors" beginning on page 27 of the RHP. Potential investors should not rely on the DRHP for making any investment decision but can only rely on the information included in the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, 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 Securities Act and applicable U. S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

5. Justification for Basis of Offer price

Detailed explanation for Offer Price/Cap Price along with our Company's KPIs and financial ratios for the periods presented in the Restated Financial Statements and in view of the external factors which may have influenced the pricing of the issue, if any

(1) As of December 31, 2023, we operated 38 "company owned and company operated" or "COCO" stores all located in the major metro-cities of Bengaluru, Chennai, New Delhi, Mumbai and Hyderabad, all operated by our Subsidiaries and 24 "franchisee-owned and franchisee-operated" or "FOFO" stores in 21 cities across 11 States and Union Territories in India; (2) According to the RedSeer Report, as of January 31, 2024, our retail presence in India was three times the size of our nearest competitor in the luxury/super-premium furniture industry; (3) Our revenue from operations in Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2023 were ₹ 1,957.80 million, ₹ 2,922.04 million, ₹ 4,189.98 million and ₹ 3,133.11 million, respectively primarily on account of increase in retail sales and increase in retail presence; (4) Over the last three Fiscals, we have witnessed a significant growth in our EBITDA from ₹ 297.75 million in Fiscal 2021 to ₹ 590.08 million in Fiscal 2022 which further increased to ₹ 827.17 million in Fiscal 2023 and was ₹ 577.65 million in the nine months ended December 31, 2023 while our EBITDA Margin was 15.21%, 20.19%, 19.74% and 18.44% in Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2023, respectively; (5) Our restated profit after tax for the year/period has grown significantly from ₹ 19.23 million in Fiscal 2021 to ₹ 232.19 million in Fiscal 2022, and further to ₹ 349.77 million in Fiscal 2023 at a CAGR of 326.48%. Our restated profit after tax for the year/period was ₹ 186.97 million in the nine months ended December 31, 2023; (6) Our business model has resulted in positive cash flows over the years and our net cash flows from operating activities were ₹ 329.80 million, ₹ 285.23 million, and ₹ 679.71 million and ₹ 125.71 million in Fiscal 2021, 2022 and 2023 and in the nine months ended December 31, 2023, respectively; (7) Our Return on Capital Employed was 5.52%, 12.90%, 16.63% and 8.63% (calculated on an annualized basis), as of March 31, 2021, 2022 and 2023 and as of December 31, 2023, respectively, while our Return on Net Worth was 0.56%, 10.69%, 15.18% and 8.34% (calculated on an annualized basis), as of March 31, 2021, 2022 and 2023 and as of December 31, 2023, respectively; (8) We are the fourth largest player in the home furniture segment in India in terms of revenue in Fiscal 2023. (Source: RedSeer Report) (9) 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); (10) The increase in sales in the luxury and premium housing categories has witnessed an increase in demand for high-end furniture. (Source: RedSeer Report) The increasing demand for housing, interior design services, furnished options, renovations, and evolving housing trends all contribute to the expansion of the furniture market as it caters to the furnishing needs of properties in the real estate sector. (Source: RedSeer Report)

The Offer Price of ₹ [•] has been determined in compliance with the SEBI ICDR Regulations, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with "Risk Factors", "Our Business" and "Restated Consolidated Financial Information" beginning on pages 27, 193 and 266 of the RHP, respectively, to have a more informed view.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 234 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 448 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 150,000,000 divided into 75,000,000 Equity Shares of face value of ₹ 2 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 103,194,336 divided into 51,597,168 Equity Shares of face value of ₹ 2 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 88 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The names of the initial signatories of the Memorandum of Association of our Company along with their allotment are: Subscription to the MoA of 5,10,000 Equity Shares each to Sunil Suresh and Shubha Sunil and 600 equity shares each to T. Maruthi Rao, Nagesh Manay, Chandra Kanth B., Suresh S. and Girish K.C. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 88 of the RHP.

LISTING: The Equity Shares that will be offered through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated November 2, 2023. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited. A signed copy of the RHP and the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the RHP up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 448 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Offer Document. The investors are advised to refer to page 405 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 407 of the RHP for the full text of the disclaimer clause of BSE.

DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 407 of the RHP for the full text of the disclaimer clause of NSE.

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

Place: Bengaluru
Date: June 13, 2024

For **STANLEY LIFESTYLES LIMITED**
On behalf of the Board of Directors
Sd/-
Akash Shetty
Company Secretary & Compliance Officer

CONCEPT

Size: 32.9x34cm