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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 Prospectus dated June 25, 2024 filed with the RoC ("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

## THE PROMOTERS OF OUR COMPANY ARE SUNIL SURESH AND SHUBHA SUNIL

Our Company has filed the Prospectus with the RoC, and the Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and trading is expected to commence on June 28, 2024.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFER OF 14,553,508 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF STANLEY LIFESTYLES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 369 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 367 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 5,370.24 MILLION COMPRISING A FRESH ISSUE OF 5,420,054 EQUITY SHARES AGGREGATING UP TO ₹ 2,000.00 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 9,133,454 EQUITY SHARES AGGREGATING UP TO ₹ 3,370.24 MILLION ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS, COMPRISING 1,182,000 EQUITY SHARES AGGREGATING TO ₹ 436.16 MILLION BY SUNIL SURESH AND 1,182,000 EQUITY SHARES AGGREGATING TO ₹ 436.16 MILLION BY SHUBHA SUNIL (COLLECTIVELY THE "PROMOTER SELLING SHAREHOLDERS"), UP TO 5,544,454 EQUITY SHARES AGGREGATING TO ₹ 2,045.90 MILLION BY OMAN INDIA JOINT INVESTMENT FUND II, ACTING THROUGH ITS TRUSTEE OMAN INDIA JOINT INVESTMENT FUND TRUSTEE COMPANY PRIVATE LIMITED, REPRESENTED BY ITS INVESTMENT MANAGER, OMAN INDIA JOINT INVESTMENT FUND – MANAGEMENT COMPANY PRIVATE LIMITED ("OMAN INDIA JOINT INVESTMENT FUND II") (THE "INVESTOR SELLING SHAREHOLDER"), AND 1,000,000 EQUITY SHARES AGGREGATING TO ₹ 369.00 MILLION BY KIRAN BHANU VUPPALAPATI, AND 225,000 EQUITY SHARES AGGREGATING TO ₹ 83.03 MILLION BY SRIDEVI VENKATA VUPPALAPATI (COLLECTIVELY "INDIVIDUAL SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS, THE INVESTOR SELLING SHAREHOLDER AND THE INDIVIDUAL SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER").

ANCHOR INVESTOR OFFER PRICE: ₹ 369 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH

OFFER PRICE: ₹ 369 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH

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

### 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
79.84%	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%
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.

- 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 NBT and Co, Chartered Accountants, pursuant to their certificate dated June 13, 2024.

- The four BRLMs associated with the Offer have handled 73 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	42	13
Total	73	19

\*Issues handled where there were no common BRLMs

### BID/ OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE OPENED AND CLOSED ON THURSDAY, JUNE 20, 2024

BID/ OFFER OPENED ON FRIDAY, JUNE 21, 2024 | BID/ OFFER CLOSED ON TUESDAY, JUNE 25, 2024



...continued from previous page.

The Offer was 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 was allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company, 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 was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds. Further, not less than 15% of the Offer was made available for allocation to Non-Institutional Investors and not less than 35% of the Offer was made 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 was made 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 was made 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 could have been 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) were 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 Prospectus.

The bidding for Anchor Investor opened and closed on June 20, 2024. The Company received 16 applications from 15 Anchor Investors for 5,388,040 Equity Shares. The Anchor Investor Offer Price was finalized at ₹369 per Equity Share. A total of 4,366,051 Equity Shares were allocated under the Anchor Investor Portion aggregating to ₹ 1,611,072,819.

The Offer received 2,174,757 applications for 1,000,840,720 Equity Shares resulting in 68.77 times subscription as disclosed in the Prospectus. The details of the applications received in the Offer from Retail Individual Bidders, Non-Institutional Bidders and QIBs are as under (before technical rejections):

Sl. No.	CATEGORY	NO. OF APPLICATIONS APPLIED*	NO. OF EQUITY SHARES	EQUITY SHARES RESERVED AS PER PROSPECTUS	NO. OF TIMES SUBSCRIBED	AMOUNT (₹)
A	Retail Individual Bidders	1,986,432	101,247,280	5,093,728	19.88	37,350,182,560
B	Non-Institutional Bidders – More than ₹0.20 million and upto ₹1.00 million	116,570	68,270,840	727,676	93.82	25,179,642,000
C	Non-Institutional Bidders – More than ₹1.00 million	71,592	200,635,840	1,455,351	137.86	74,034,004,560
D	Qualified Institutional Bidders (excluding Anchors Investors)	147	625,298,720	2,910,702	214.83	230,735,227,680
E	Anchor Investors	16	5,388,040	4,366,051	1.23	1,988,186,760
<b>Total</b>		<b>2,174,757</b>	<b>1,000,840,720</b>	<b>14,553,508</b>	<b>68.77</b>	<b>369,287,243,560</b>

\* This excludes 15,751 applications for 792,400 Equity Shares from Retail Individual which were not in bid book but which were banked.

#### Final Demand

A summary of the final demand as per NSE and BSE as on the Bid/Offer Closing Date at different Bid prices is as under:

Sr. No	Bid Price (₹)	No. of Equity Shares	% to Total	Cumulative Total	Cumulative % of Total
1	351	282,880	0.03	282,880	0.03
2	352	31,520	0.00	314,400	0.03
3	353	10,560	0.00	324,960	0.03
4	354	4,480	0.00	329,440	0.03
5	355	66,040	0.01	395,480	0.04
6	356	5,200	0.00	400,680	0.04
7	357	8,280	0.00	408,960	0.04
8	358	13,160	0.00	422,120	0.04
9	359	40,040	0.00	462,160	0.05
10	360	177,920	0.02	640,080	0.06
11	361	19,280	0.00	659,360	0.06
12	362	11,280	0.00	670,640	0.07
13	363	14,280	0.00	684,920	0.07
14	364	3,120	0.00	688,040	0.07
15	365	65,280	0.01	753,320	0.07
16	366	11,000	0.00	764,320	0.07
17	367	86,640	0.01	850,960	0.08
18	368	148,640	0.01	999,600	0.10
19	369	918,147,400	89.53	919,147,000	89.63
	CUTOFF	106,354,480	10.37	1,025,501,480	100.00
		<b>1,025,501,480</b>	<b>100.00</b>		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being BSE on June 26, 2024.

#### A. Allotment to Retail Individual Bidders (After Technical Rejections) (including ASBA Applications)

The Basis of Allotment to the Retail Individual Bidders, who have bid at cut-off or at the Offer Price of ₹369 per Equity, was finalized in consultation with BSE. This category has been subscribed to the extent of 19,273,79 times. The total number of Equity Shares Allotted in Retail Individual Bidders category is 5,093,728 Equity Shares to 127,343 successful applicants. The category-wise details of the Basis of Allotment are as under:

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	40	1,771,108	91.86	70,844,320	72.16	40	78 : 1181	4,678,960
2	80	73,777	3.83	5,902,160	6.01	40	7 : 106	194,920
3	120	26,185	1.36	3,142,200	3.20	40	7 : 106	69,160
4	160	10,960	0.57	1,753,600	1.79	40	7 : 106	28,960
5	200	10,938	0.57	2,187,600	2.23	40	7 : 106	28,880
6	240	4,463	0.23	1,071,120	1.09	40	7 : 106	11,800
7	280	5,302	0.27	1,484,560	1.51	40	7 : 106	14,000
8	320	2,401	0.12	768,320	0.78	40	7 : 106	6,360
9	360	1,475	0.08	531,000	0.54	40	7 : 106	3,880
10	400	4,792	0.25	1,916,800	1.95	40	7 : 106	12,680
11	440	875	0.05	385,000	0.39	40	7 : 106	2,320
12	480	1,019	0.05	489,120	0.50	40	7 : 106	2,680
13	520	14,807	0.77	7,699,640	7.84	40	7 : 106	39,120
	<b>TOTAL</b>	<b>1,928,102</b>	<b>100.00</b>	<b>98,175,440</b>	<b>100.00</b>	<b>1</b>	<b>8 : 10369</b>	<b>5,093,728</b>

Note : 1 additional Share shall be allotted to 8 Allottees from amongst 10369 Successful Applicants from the categories 80 - 520 (i.e. excluding successful applicants from Category 40) in the ratio of 8 : 10369

#### B. Allotment to Non-Institutional Bidders (more than ₹0.20 million and upto ₹1.00 million) (After Technical Rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹ 0.20 million and upto ₹1.00 million), who have bid at the Offer Price of ₹369 per Equity Share was finalized in consultation with BSE. This category has been subscribed to the extent of 91.85846 times. The total number of Equity Shares allotted in this category is 727,676 Equity Shares to 1,299 successful applicants. The category-wise details of the Basis of Allotment are as under:

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	560	108,106	94.68	60,539,360	90.57	560	9 : 791	688,800
2	600	1,931	1.69	1,158,600	1.73	560	22 : 1931	12,320
3	640	382	0.33	244,480	0.37	560	2 : 191	2,240
4	680	235	0.21	159,800	0.24	560	3 : 235	1,680
5	720	260	0.23	187,200	0.28	560	3 : 260	1,680
6	760	76	0.07	57,760	0.09	560	1 : 76	560
7	800	393	0.34	314,400	0.47	560	5 : 393	2,800
8	840	123	0.11	103,320	0.15	560	2 : 123	1,120
9	880	60	0.05	52,800	0.08	560	1 : 60	560
10	920	38	0.03	34,960	0.05	560	1 : 38	560
11	960	47	0.04	45,120	0.07	560	1 : 47	560
12	1000	182	0.16	182,000	0.27	560	1 : 91	1,120
13	1040	51	0.04	53,040	0.08	560	1 : 51	560
14	1080	78	0.07	84,240	0.13	560	1 : 78	560
15	1120	298	0.26	333,760	0.50	560	3 : 298	1,680
16	1160	27	0.02	31,320	0.05	560	0 : 27	0
17	1200	173	0.15	207,600	0.31	560	2 : 173	1,120
18	1240	32	0.03	39,680	0.06	560	0 : 32	0
19	1280	30	0.03	38,400	0.06	560	0 : 30	0
20	1320	567	0.50	748,440	1.12	560	1 : 81	3,920
21	1360	145	0.13	197,200	0.30	560	2 : 145	1,120
22	1400	61	0.05	85,400	0.13	560	1 : 61	560
23	1440	21	0.02	30,240	0.05	560	0 : 21	0
24	1480	13	0.01	19,240	0.03	560	0 : 13	0
25	1520	13	0.01	19,760	0.03	560	0 : 13	0
26	1560	15	0.01	23,400	0.04	560	0 : 15	0
27	1600	82	0.07	131,200	0.20	560	1 : 82	560
28	1640	12	0.01	19,680	0.03	560	0 : 12	0
29	1680	58	0.05	97,440	0.15	560	1 : 58	560
30	1720	10	0.01	17,200	0.03	560	0 : 10	0
31	1760	6	0.01	10,560	0.02	560	0 : 6	0
32	1800	33	0.03	59,400	0.09	560	0 : 33	0
33	1840	3	0.00	5,520	0.01	560	0 : 3	0

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
34	1880	7	0.01	13,160	0.02	560	0 : 7	0
35	1920	5	0.00	9,600	0.01	560	0 : 5	0
36	1960	5	0.00	9,800	0.01	560	0 : 5	0
37	2000	79	0.07	158,000	0.24	560	1 : 79	560
38	2040	15	0.01	30,600	0.05	560	0 : 15	0
39	2080	4	0.00	8,320	0.01	560	0 : 4	0
40	2120	8	0.01	16,960	0.03	560	0 : 8	0
41	2160	16	0.01	34,560	0.05	560	0 : 16	0
42	2200	13	0.01	28,600	0.04	560	0 : 13	0
43	2240	32	0.03	71,680	0.11	560	0 : 32	0
44	2280	6	0.01	13,680	0.02	560	0 : 6	0
45	2320	8	0.01	18,560	0.03	560	0 : 8	0
46	2360	5	0.00	11,800	0.02	560	0 : 5	0
47	2400	30	0.03	72,000	0.11	560	0 : 30	0
48	2440	11	0.01	26,840	0.04	560	0 : 11	0
49	2480	10	0.01	24,800	0.04	560	0 : 10	0
50	2520	5	0.00	12,600	0.02	560	0 : 5	0
51	2560	4	0.00	10,240	0.02	560	0 : 4	0
52	2600	17	0.01	44,200	0.07	560	0 : 17	0
53	2640	11	0.01	29,040	0.04	560	0 : 11	0
54	2680	323	0.28	865,640	1.30	560	4 : 323	2,240
						3	1 : 1	207
						1	29 : 69	29
	<b>Total</b>	<b>114,175</b>	<b>100.00</b>	<b>66,843,200</b>	<b>100.00</b>			<b>727,676</b>

Please Note : 3 additional Share shall be allocated to 69 Successful Allottees from Slno. 2 to Slno. 54 (excluding successful applicants from Category 560) in the ratio of 1 : 1

Please Note : 1 additional Share shall be allocated to 29 Allottees from amongst 69 Successful Allottees from Slno. 2 to Slno. 54 (excluding successful applicants from Category 560) in the ratio of 29 : 69

#### C. Allotment to Non-Institutional Bidders (more than ₹1.00 million) (After Technical Rejections) (including ASBA Applications)

The Basis of Allotment to the Non-Institutional Bidders (more than ₹1.00 million), who have bid at the Offer Price of ₹369 per Equity Share was finalized in consultation with BSE. This category has been subscribed to the extent of 136.55518 times. The total number of Equity Shares allotted in this category is 1,455,351 Equity Shares to 2,598 successful applicants. The category-wise details of the Basis of Allotment are as under: (Sample)

Sr. No	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	2,720	67,672	95.42	184,067,840	92.62	560	7 : 191	1,388,800
2	2,760	753	1.06	2,078,280	1.05	560	28 : 753	15,680
3	2,800	697	0.98	1,951,600	0.98	560	26 : 697	14,560
4	2,840	152	0.21	431,680	0.22	560	3 : 76	3,360
5	2,880	177	0.25	509,760	0.26	560	7 : 177	3,920
6	4,160	1	0.00	4,160	0.00	560	0 : 1	0
7	4,200	11	0.02	46,200	0.02	560	1 : 11	560
8	4,320	12	0.02	51,840	0.03	560	1 : 12	560
9	4,360	6	0.01	26,160	0.01	560	0 : 6	0
10	4,400	8	0.01	35,200	0.02	560	0 : 8	0
11	4,440	1	0.00	4,440	0.00	560	0 : 1	0
12	4,480	2	0.00	8,960	0.00	560	0 : 2	0
13	4,520	15	0.02	67,800	0.03	560	1 : 15	560
14	5,320	1	0.00	5,320	0.00	560	0 : 1	0
15	5,360	19	0.03	101,840	0.05	560	1 : 19	560
16	5,400	27	0.04	145,800	0.07	560	1 : 27	560
17	5,440	56	0.08	304,640	0.15	560	1 : 28	1,120
18	5,480	5	0.01	27,400	0.01	56		