



भारत सरकार / Government of India  
कार्पोरेट कार्य मंत्रालय / Ministry of Corporate Affairs  
कंपनी रजिस्ट्रार, कर्नाटक / Registrar of Companies, Karnataka  
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**MINISTRY OF  
CORPORATE  
AFFAIRS**  
GOVERNMENT OF INDIA

F.NO.ROCB/Adj.454-188/Stanley Lifestyle/Co.No.044090/2025 / 6683, Date:25.03.2025

**ORDER OF ADJUDICATION OF PENALTY IN RESPECT OF STANLEY LIFESTYLES LIMITED UNDER SECTION 454 OF COMPANIES ACT, 2013 READ WITH RULE 3 OF THE COMPANIES (ADJUDICATION OF PENALITIES) RULES, 2014 FOR VIOLATION OF PROVISIONS OF SECTION 188 OF THE COMPANIES ACT, 2013 READ WITH RULES (AS AMENDED FROM TIME TO TIME)**

Ministry of Corporate Affairs vide its Gazette Notification No. A-42011/112/2014-Ad.II dated 24.03.2015 has appointed the undersigned as Adjudicating Officer in exercise of the powers conferred by section 454 of the Companies Act, 2013 (hereinafter referred to as Act) read with Companies (Adjudication of Penalties) Rules, 2014 for adjudging penalties under the provisions of Companies Act, 2013.

2. The company, **Stanley Lifestyles Limited** (hereinafter referred to as Company) having CIN **L19116KA2007PLC044090** was incorporated on 11.10.2007 and is presently registered under the jurisdiction of Registrar of Companies, Karnataka and the registered office is situated at SY No.16/2 and 16/3 Part, Hosur Road, Veerasandra village, Attibele Hobli, Anekal Taluk, Bangalore, Bangalore, Karnataka-560100.

3. As per the provisions of section 188(2) of the Act, "Every contract or arrangement entered into under sub-section (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement."

4. During the course of inquiry under section 206(4) r/w Sec 208 of the Act, it is reported that "As per the financial statements and AS-18 statements and AOC-2 form attached to the Directors report for the year 2018-19, 2019-20 and 2020-21, the company had huge, related party transactions. Few instances noticed are given below:

Sl.No.	Name of related party	Years (Amt in lakhs)			Particulars
		2018-19	2019-20	2020-21	
1	Sunil Suresh, MD	120	120	107	Payment of Royalty
2	Sunil Suresh, MD	0.84	93.50	1.27	Sales
3	Stanley retail Limited	4392	5511	5484	Sales
4	Stanley OEM Sofas Limited	24.40	24.71	47.88	Purchase

कार्पोरेट कंपनी रजिस्ट्रार  
कर्नाटक, बंगलूरु  
OFFICE OF THE REGISTRAR OF COMPANIES  
KARNATAKA, BANGALURU

25 MAR 2025

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5	Stanley OEM Sofas Limited, Subsidiary	485	325	466	Sales
6	Stanley OEM Sofas Limited, Subsidiary	6	42.20	253	Purchase
7	ABS Seating Private Limited, Subsidiary	885	968	939	Sales
8	Staras Seating Private Limited, Subsidiary	1457	1323	859	Sales
9	Stara Decor Private Limited, Subsidiary	686	797	913	Sales
10	Sana Lifestyle Limited, step down subsidiary	482	384	319	Sales
11	Stanley estates & leisure KMP having substantial interest		32.58		

In the AOC-2 form it was disclosed that the company has taken Board approval on various dates in the year 2015-16 and 2016-17 and continuing with said resolution even during the 2020-21. From the available records, no Audit committee has given omnibus approval for these huge transactions on year-on-year basis. Hence, it is apparent that the huge transactions carried out is without proper authority.

5. A reasonable opportunity was given to company and its directors vide notice under section 206(5) of the Companies Act, 2013 vide letter No ROCB/ROC(B)/Inquiry/Stanley lifestyle/Co.No.044090/2022/3499 to 3500 , 3486(A) dated 01.07.2022. The replies of the company dated 15.07.2022, 21.07.2022 and 22.07.2022 were examined and the IO has pointed out a violation. The Inquiry has identified violation and the same was accepted by the Competent Authority directing ROC to initiate necessary penal actions.

6. As per section 188(5) of the Act, any director or any other employee of a company, who had entered into or authorised the contract or arrangement in violation of the provisions of this section shall,—

- (i) in case of listed company, be liable to a penalty of twenty-five lakh rupees and
- (ii) in case of any other company, be liable to a penalty of five lakh rupees.

7 Accordingly, adjudication notice vide No. ROCB/S.134/AROC(NH)100065618/2024/1685 to 1691 dated 15-03-2024 was issued to Company and its Directors. The company filed its adjudication application on 23.12.2024.

8 Thereafter, adjudication hearing notice was issued to the company on 25.02.2025 and physical hearing was held on 06.03.2025. Mr.Vamisikrishna.K & Mr.Vinu Thomas, Practising Company Secretaries appeared on behalf of Company and Officers-in-Default and made their submissions before the adjudicating authority regarding the applicability of penal provision of section 188(5) for ex-company secretaries of the company. It was submitted that "sec 188(5) of Companies Act, 2013 applies to any director or employee who enters into or authorizes a related party transaction in contravention of law. In this case, the responsibility for entering into and authorizing such transaction lay solely with Managing Director and Wholetime Directors who have already been made parties to the proceedings and hence the penalty against Mrs.S.Thanuja and Mr. Jitesh Bansal was sought to be dropped. The submission made by the company is acceptable in respect of these two Ex-Company Secretaries and therefore adjudication proceedings are dropped against them.

9. As the company is a public limited company, it does not fall under the definition of a small company as per the provisions of section 2(85) of the Companies Act, 2013, the provisions of imposing lesser penalty as per the section 446B of the Act shall not be applicable in this case.

10. Therefore, having considered the facts and circumstances of the case and the submissions made by the company / director / key managerial personnel through their authorised representative, I do hereby impose penalty in the following manner for the period of default committed under section 188(5) of the Act.

S. No.	Particulars	Penalty imposed under section 188(5) (In Rs.)
1	Shubha Sunil, Wholetime Director	25,00,000
2	Sunil Suresh, Managing Director	25,00,000
	<b>Total</b>	<b>50,00,000</b>

11. The company and its directors / key managerial personnel are hereby directed to pay the penalty amount as tabulated above within 90 days from the date of receipt of this Order and file Form INC-28 attaching a copy of the Order and payment challans. In case of directors, such penalty amount is required to be paid out of their own funds. The noticee shall pay the said amount of penalty online by using the website [www.mca.gov.in](http://www.mca.gov.in) (Miscellaneous head) specifying the details of this Order and the noticee who is paying the penalty.

12. Appeal, if any, against this Order may be filed with the Regional Director (South East Region), Hyderabad within a period of 60 days from the date of receipt of this Order in Form ADJ setting forth the grounds of appeal and shall be accompanied by a certified copy of this Order.



13. Your attention is also invited to section 454(8) of the Companies Act, 2013 in case of non-compliance of this Order wherein necessary penal action will be initiated under 454(8)(i) and (ii) of the Companies Act, 2013 against the company and directors / key managerial personnel without further notice in the matter.

14. The company is required to serve a copy of this Order on the director(s)/ officer(s)-in-default mentioned above in terms of provisions of section 20 of the Companies Act, 2013.



Registrar of Companies, Karnataka  
and Adjudicating Officer

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25/3/25

**1) F.NO.ROCB/Adj.454-188/Stanley Lifestyles/Co.No.044090/2025/6683**

Ms.Shubha Sunil, Wholetime Director  
No. 1/1, Flat S-2, Skyline May Flower Apts,Leonard Lane,  
Richmond Town, Bengaluru,  
Karnataka-560025

EK933519915IN

**2) F.NO.ROCB/Adj.454-188/Stanley Lifestyles/Co.No.044090/2025/6684**

Mr. Sunil Suresh, Managing Director  
No 275, 10th Crosswilson Garden, Bangalore,  
Karnataka-560027

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