



28th March, 2024

To

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Scrip Code: **540203**

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra(E), Mumbai-400051
NSE Symbol: **SFL**

Sub: Intimation of the outcome of the meeting of the Board of Directors of Sheela Foam Limited held on March 28, 2024 and disclosure(s) under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations")

Dear Sir/ Ma'am,

In compliance with Regulation 30 read with Schedule III of the Listing Regulations we wish to inform that the Board of Directors of Sheela Foam Limited ("**SFL**" or "**Amalgamated Company**" or "**Company**") at its meeting held today, i.e. March 28, 2024, inter alia, has transacted the following businesses:

Based on the recommendation of the Audit Committee and the Committee of Independent Directors, the Board of Directors ("**the Board**") have considered and approved the Composite Scheme of Arrangement between Belvedere International Limited ("**BIL**" or "**Transferor Company 1**"), Kanvas Concepts Private Limited ("**KCPL**" or "**Transferor Company 2**"), Kurlon Retail Limited ("**KRL**" or "**Transferor Company 3**"), Komfort Universe Products And Services Limited ("**KUPSL**" or "**Transferor Company 4**"), Starship Value Chain and Manufacturing Private Limited ("**SVC MPL**" or "**Transferor Company 5**") (collectively hereinafter referred to as the **Transferor Companies**), Kurlon Enterprise Limited ("**KEL**" or "**Transferee Company**" or "**Amalgamating Company**") and Sheela Foam Limited ("**SFL**" or "**Amalgamated Company**" or "**Company**") and their respective shareholders and creditors (**the "Scheme"**), under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws including the rules and regulations ("**Proposed Transaction**").

The Scheme is, inter-alia, subject to receipt of approval from shareholders and creditors of the companies involved and approval of statutory and regulatory authorities, including approvals from Stock Exchanges, Jurisdictional National Company Law Tribunal, Mumbai Bench ("**NCLT**").

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



Please find enclosed **Annexure 1** containing details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated 9th September, 2015.

Thanking you,
Yours faithfully,

For **Sheela Foam Limited**

Md. Iquebal Ahmad
Company Secretary
ACS – A20921

Enclosed:

1. Annexure I - Details of the Scheme in terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9,2015

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679

Brief Details of Merger

S No.	Particulars	Details
1	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.	<p>SFL or Amalgamated Company has total assets of Rs. 4150.36 Crores, turnover of Rs. 1377.46 Crores paid up share capital of Rs. 54.35 Crores and net worth of Rs. 2683.96 Crores as on December 31, 2023.</p> <p>KEL or Transferee Company or Amalgamating Company has total assets of Rs. 673.78 Crores, turnover of Rs. 582.25 Crores, paid up share capital of Rs. 18.28 Crores and net worth of Rs. 421.69 Crores as on December 31, 2023.</p> <p>BIL or Transferor Company 1 has total assets of Rs. 2.76 Crores, turnover of Rs. 10.45 Crores, paid up share capital of Rs. 0.05 Crores and net worth of Rs. (1.68) Crores as on December 31, 2023.</p> <p>KCPL or Transferor Company 2 has total assets of Rs. 0.43 Crores, turnover of Rs. 0, paid up share capital of Rs. 0.01 Crores and net worth of Rs. (1.33) Crores as on December 31, 2023.</p> <p>KRL or Transferor Company 3 has total assets of Rs. 19.05 Crores, turnover of Rs. 25.84 Crores, paid up share capital of Rs. 7.63 Crores and net worth of Rs. (17.19) Crores as on December 31, 2023.</p> <p>KUPSL or Transferor Company 4 has total assets of Rs. 1.48 Crores, turnover of Rs. 4.93 Crores, paid up share capital of Rs. 0.05 Crores and net worth of Rs. (8.54) Crores as on December 31, 2023.</p> <p>SVC MPL or Transferor Company 5 has total assets of Rs. 44.76 Crores, turnover of Rs. 59.56 Crores, paid up share capital of Rs. 0.01 Crores and net worth of Rs. 9.35 Crores as on December 31, 2023.</p>

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679

2	<p>Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms-length"</p>	<p>The Proposed Transaction will not attract the requirements of Section 188 of the Companies Act, 2013 (related party transactions) pursuant to the clarifications provided in the General Circular No. 30/2014 dated July 17, 2014</p> <p>The Proposed Transaction is between Sheela Foam Limited and its group entities. The Proposed Transaction is at arm's length basis.</p> <p>However, the Proposed Transaction may be considered as a 'related party transaction' under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").</p> <p>The consideration as set forth in the Scheme will be discharged on "arm's length basis". The share exchange ratio for the shares to be allotted to the shareholders of the Amalgamating Company is based on Valuation Report provided by Arunesh Kumar Dubey (Registration No. IBBI/RV/03/2020/12786), Registered Valuers.</p> <p>M/s Navigant Corporate Advisors Limited, SEBI Registered, Category-I Merchant Banker, has also provided a fairness opinion on the share exchange ratio and the share entitlement ratio.</p> <p>The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee, Committee of Independent Directors and Board of the Amalgamated Company.</p>
3	<p>Area of business of the entities</p>	<p>SFL or Amalgamated Company is engaged in the business of manufacture flexible, semi-flexible and rigid Poly-Urethane Foam slabs and allied products and processing and fabrication thereof and mattresses and cushions upholstery material, manufacture of furniture; packing material and insulation material, moulding of rigid Poly- Urethane for various shapes and size and manufacture of jackets and such other items by way of lamination of Poly-Urethane Foam with fabric and manufacture of products that may be allied or may be usefully combined with manufacture of any of the material mentioned above.</p>

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
 Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



		<p>KEL or Transferee Company or Amalgamating Company is engaged in the business of manufacturing/ trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.</p> <p>BIL or Transferor Company 1 is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, manufacturing or supplying, trading, dealing in any manner whatsoever in all type of goods including Mattresses, Pillows, Furniture and other related Products and Services of international brands on retail and B2B basis in India.</p> <p>KCPL or Transferor Company 2 is engaged in the business of interiors and exteriors of Homes, stage designer, furnishing, designing, decorating, renovating and remodeling of bungalows, houses, shops, show rooms, complexes, apartments, offices, hotels, restaurants and other commercials and residential houses and for the purpose to act as organizer, consultant, advisor, trader, buyer, seller, supervisor, surveyor, broker, agent and to do all other incidental acts and things necessary for the attainment of the above objects.</p> <p>KRL or Transferor Company 3 is engaged in the business of buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture on retail in India.</p> <p>KUPSL or Transferor Company 4 is engaged in the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing, supplying, dealing and trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India and outside India.</p> <p>SVC MPL or Transferor Company 5 is engaged in the business as manufacturer, designers, buyers, sellers, importers, exporters, workers, transporters, suppliers of all types of home comfort products, home décor items including furniture, mattresses, pillows, cushions, perfumers on retail and manufacture of all types of furniture equipment appliances for domestic, office, industrial as well as on wholesale basis in India as well as outside India.</p>
--	--	--

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



4	Rationale for amalgamation/merger;	<p>The Amalgamating Company, alongwith Transferor Companies, has been the second largest mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Amalgamating Company is approximately 70-year-old company with a very strong brand.</p> <p>The Board of Directors of the Amalgamated Company in its meeting held on July 17, 2023, had approved the acquisition of the Amalgamating Company, along with Transferor Companies, with a view to further strengthen the leadership position in the mattress and foam segments across the country.</p> <p>The intent of acquisition of the Amalgamating Company, alongwith Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.</p> <p>The Scheme would <i>inter-alia</i> have the following benefits:</p> <ul style="list-style-type: none"> (a) Procurement synergies arising on account of higher volume discounts, and ability to negotiate best possible prices; (b) Deeper manufacturing footprint, as materials of both the business can be made in any plant location, resulting in enhanced efficiency as well as reduction in servicing time; (c) Rationalization of logistic costs considering the combined volume; (d) Open-up the door for a new sales channel strategy, enhancing penetration/coverage and leading to better sales; (e) Structured, sharper and better management focusing on holistic growth of the businesses; (f) Optimum and efficient utilization of resources and sharing of ancillary facilities; (g) Common governance structure and effective management of compliances;
---	------------------------------------	--

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679



		<p>(h) Enhancing shareholder value and leveraging on synergies in doing the business; and</p> <p>(i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.</p> <p>3.1.1 Given the similarity in nature of businesses of the Transferor Companies, the Amalgamating Company and the Amalgamated Company, it is proposed to merge the Transferor Companies with Amalgamating Company (pursuant to Part C of this Scheme) and (post Part C comes into effect) merger the Amalgamating company with Amalgamated Company (pursuant to Part D of this Scheme). The merger shall result in greater business synergies and reduced administrative and other costs.</p>																								
5	In case of cash consideration-amount or otherwise share exchange ratio;	<p>In consideration of the amalgamation of the Amalgamating Company into the Amalgamated Company, in terms of this Scheme, the Amalgamated Company shall, without any further act or deed, issue and allot to every member holding equity shares in the Amalgamating Company and whose names appear in the Register of Members of the Amalgamating Company on the Specified Date in the following ratio:</p> <p>52 equity shares of face value of Rs. 5/- each of the Amalgamated Company to be issued for every 100 equity shares of face value of Rs. 5/- each of the Amalgamating Company</p>																								
6	Brief details of change in Shareholding pattern (if any) of the listed entities.	<p>Upon the Scheme becoming effective, the Amalgamated Company will issue new equity shares (in the share exchange ratio as mentioned above) to the shareholders of the Amalgamating Company as on the record date.</p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of shares</th> <th>% of shareholding</th> <th>No. of shares</th> <th>% of shareholding</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>71174174</td> <td>65.48</td> <td>71174174</td> <td>65.16</td> </tr> <tr> <td>Public</td> <td>37523167</td> <td>34.52</td> <td>38049666</td> <td>34.84</td> </tr> <tr> <td>Total</td> <td>108697341</td> <td>100</td> <td>109223840</td> <td>100</td> </tr> </tbody> </table>	Category	Pre-Scheme		Post-Scheme		No. of shares	% of shareholding	No. of shares	% of shareholding	Promoter	71174174	65.48	71174174	65.16	Public	37523167	34.52	38049666	34.84	Total	108697341	100	109223840	100
Category	Pre-Scheme			Post-Scheme																						
	No. of shares	% of shareholding	No. of shares	% of shareholding																						
Promoter	71174174	65.48	71174174	65.16																						
Public	37523167	34.52	38049666	34.84																						
Total	108697341	100	109223840	100																						

SHEELA FOAM LTD.

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

Toll Free: 1800 103 6664 • www.sleepwellproducts.com • www.sheelafoam.com

CIN-L74899DL1971PLC005679