

November 05, 2018

To

The Secretary
Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Symbol: SFL

The Manager,
The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra(E), Mumbai-400051
Scrip Code: 540203

**Subject: Limited Reviewed unaudited Standalone and Consolidated Financial Results
for the quarter and half year ended 30th September 2018**

Dear Sir/Madam

In terms of Regulations 30 and 33 and other applicable provisions of the SEBI(Listing Obligation and Disclosures Requirements) Regulations, 2015 read with related circulars and notifications, please find enclosed herewith, Limited Reviewed unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2018 as approved by the Board of Directors in its meeting held on November 5, 2018 at #14, Sector 135, Noida, which commenced at 10.30 A.M and concluded at 3.30 P.M.

The limited review report submitted by the Auditors of the Company is enclosed with the Result.

The management update on quarterly results is also enclosed.

Thanking you.

Yours faithfully,

For Sheela Foam Limited



(Md. Iquebal Ahmad)

Company Secretary and Compliance Officer

SHEELA FOAM LTD.

37/2, Site-IV, Sahibabad Industrial Area, Ghaziabad, U.P. - 201010, India
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CIN-L74899DL1971PLC005679

SHEELA FOAM LIMITED

Regd. office: C-55 Preet Vihar, Vikas Marg, New Delhi-110092
Corporate Office: 37/2 Site IV Sahibabad Industrial Area Ghaziabad-201010
Tel: 0120-4162200, Fax: 0120-41622825
CIN L74899DL1971PLC005679

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018**

(Rs. in Crores)							
Sr. No.	Particulars	Quarter ended			Half Year ended		Year ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations*	449.86	425.64	408.49	875.50	794.92	1,695.66
	b) Other Income	6.63	7.20	5.46	13.83	11.82	24.97
	Total Income (a+b)	456.49	432.84	413.95	889.33	806.74	1,720.63
2	Expenses						
	a) Cost of materials consumed	250.90	237.26	221.48	488.16	413.56	925.39
	b) Excise duty on sales of products	-	-	-	-	39.13	39.13
	c) Purchases of stock-in-trade	7.28	7.18	8.56	14.46	18.60	40.23
	d) Other manufacturing expenses	19.94	16.28	15.93	36.22	35.36	67.83
	e) Change in inventories of finished goods, stock-in-process and stock-in-trade	0.29	(1.24)	(7.34)	(0.95)	(10.18)	(17.12)
	f) Employee benefits expense	27.65	28.04	25.05	55.69	49.73	100.83
	g) Finance costs	1.66	1.68	1.43	3.34	2.75	5.76
	h) Depreciation and amortisation expense	7.73	7.06	7.38	14.79	13.16	27.78
	i) Other expenses	107.77	89.67	94.57	197.44	158.97	348.30
	Total Expenses (a to i)	423.22	385.93	367.06	809.15	721.08	1,538.13
3	Profit before tax (1-2)	33.27	46.91	46.89	80.18	85.66	182.50
4	Tax expense						
	- Current quarter's tax	11.68	14.95	15.64	26.63	27.29	55.93
	- Earlier quarter / year's tax	-	(1.11)	-	(1.11)	-	-
	- Deferred tax	(0.43)	(0.38)	(0.12)	(0.81)	(0.03)	0.63
5	Net Profit after tax (3-4)	22.02	33.45	31.37	55.47	58.40	125.94
6	Other Comprehensive Income/(loss)						
	a) Re-measurements of the net defined benefit plans	(0.36)	(0.35)	(0.22)	(0.71)	(0.45)	(1.35)
	b) Income Tax Effect	0.12	0.11	0.06	0.23	0.13	0.47
	Other Comprehensive Income/(loss) for the period (a+b)	(0.24)	(0.24)	(0.16)	(0.48)	(0.32)	(0.88)
7	Total Comprehensive Income for the period (5+6)	21.78	33.21	31.21	54.99	58.08	125.06
8	Paid up Equity Share Capital Rs. 5/- each	24.39	24.39	24.39	24.39	24.39	24.39
9	Earning per share (EPS) of face value Rs. 5/- each (not annualised)						
	- Basic and Diluted	4.51	6.86	6.43	11.37	11.97	25.82

Notes: *Includes Excise duty & excludes freight, as detailed in note no 3.

- The Audit Committee has reviewed and recommended the above results, and subsequently the Board of Directors have approved the same, in their respective meeting held on November 5, 2018.
- These financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter.
- According to the requirement of Ind AS, revenue from operations for the half year ended September 30, 2017 and year ended March 31, 2018 were reported inclusive of Excise Duty. However, with the implementation of Goods and Service Tax ("GST") w.e.f. July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes and in accordance with Ind AS 115, the revenue from operations w.e.f. July 01, 2017 are reported net of GST. Further, freight prior to implementation of GST was recovered from the customers hence was reduced from 'Other Expenses' and after its implementation it forms part of Revenue from operations and corresponding expense on freight is included under the head 'Other Expenses'. Had the previously reported revenue from operations was shown net of excise duty and inclusive of freight, comparative revenue from operations of the Company would have been as under:

(Rs. in Crores)						
Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	449.86	425.64	408.49	875.50	794.92	1,695.66
Less: Excise Duty	-	-	-	-	(39.13)	(39.13)
Add: Freight	-	-	-	-	10.29	10.29
Net Revenue from Operations (Net of Excise Duty & inclusive of Freight)	449.86	425.64	408.49	875.50	766.08	1,666.82

- The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there are no reportable segments as per Indian Accounting Standard for Operating Segments (Ind AS 108), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
- Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earning as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter and half year ended September 30, 2018.
- Previous quarter / half year / year ended figures have been regrouped / restated wherever considered necessary.



Place : Noida
Dated: November 05, 2018

For Sheela Foam Limited

(Signature)
(Rahul Gautam)
Managing Director

SHEELA FOAM LIMITED

Regd. office: C-55 Preet Vihar, Vikas Marg, New Delhi-110092
Corporate Office: 37/2 Site IV Sahibabad Industrial Area Ghaziabad-201010
Tel: 0120-4162200, Fax: 0120-41622825
CIN L74899DL1971PLC005679

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018**

(Rs. in Crores)						
Sr. No.	Particulars	Quarter ended			Half Year ended	
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Income					
	a) Revenue from operations*	535.47	502.03	485.78	1,037.50	944.38
	b) Other Income	5.79	6.34	4.50	12.13	9.93
	Total Income (a+b)	541.26	508.37	490.28	1,049.63	954.31
2	Expenses					
	a) Cost of materials consumed	292.55	282.01	256.17	574.56	484.51
	b) Excise duty on sales of products	-	-	-	-	39.13
	c) Purchases of stock-in-trade	7.28	7.18	8.56	14.46	18.60
	d) Other manufacturing expenses	23.98	19.43	18.71	43.41	40.50
	e) Change in inventories of finished goods, stock-in-process and stock-in-trade	0.45	(7.21)	(6.37)	(6.76)	(10.32)
	f) Employee benefits expense	44.32	44.34	40.36	88.66	79.77
	g) Finance costs	2.30	2.35	2.27	4.65	4.48
	h) Depreciation and amortisation expense	9.93	9.14	9.21	19.07	16.74
	i) Other expenses	124.48	105.74	110.56	230.22	189.64
	Total Expenses (a to i)	505.29	462.98	439.47	968.27	863.05
3	Profit before tax (1-2)	35.97	45.39	50.81	81.36	91.26
4	Tax expense					
	- Current quarter's tax	12.06	14.40	16.66	26.46	28.85
	- Earlier quarter/year's tax	-	(1.11)	-	(1.11)	-
	- Deferred tax	(0.45)	(0.49)	(0.12)	(0.94)	(0.03)
5	Net Profit after tax (3-4)	24.36	32.59	34.27	56.95	62.44
6	Other Comprehensive Income/(loss)					
	a) Re-measurements of the net defined benefit plans	(0.36)	(0.35)	(0.22)	(0.71)	(0.45)
	b) Income Tax Effect	0.12	0.11	0.06	0.23	0.13
	c) Exchange differences on translation of foreign operations	1.62	0.29	0.73	1.91	0.71
	Other Comprehensive Income/(loss) for the period (a to c)	1.38	0.05	0.57	1.43	0.39
7	Total Comprehensive Income for the period (5+6)	25.74	32.64	34.84	58.38	62.83
8	Paid up Equity Share Capital Rs. 5/- each	24.39	24.39	24.39	24.39	24.39
9	Earning per share (EPS) of face value Rs. 5/- each (not annualised)	4.99	6.68	7.03	11.67	12.80
	- Basic and Diluted					

Notes: *Includes Excise duty & excludes freight, as detailed in note no 3.

- The Audit Committee has reviewed and recommended the above consolidated results, and subsequently the Board of Directors have approved the same, in their respective meeting held on November 30, 2018.
- These consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments thereafter.
- According to the requirement of Ind AS, revenue from operations for the half year ended September 30, 2017 and year ended March 31, 2018 were reported inclusive of Excise Duty. However, with the implementation of Goods and Service Tax ("GST") w.e.f. July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes and in accordance with Ind AS 115, the revenue from operations w.e.f. July 01, 2017 are reported net of GST. Further, freight prior to implementation of GST was recovered from the customers hence was reduced from 'Other Expenses' and after its implementation it forms part of Revenue from operations and corresponding expense on freight is included under the head 'Other Expenses'. Had the previously reported revenue from operations was shown net of excise duty and inclusive of freight, comparative revenue from operations of the Company would have been as under:

(Rs. in Crores)						
Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	535.47	502.03	485.78	1,037.50	944.38	2,004.45
Less: Excise Duty	-	-	-	-	(39.13)	(39.13)
Add: Freight	-	-	-	-	10.29	10.29
Net Revenue from Operations (Net of Excise Duty & inclusive of Freight)	535.47	502.03	485.78	1,037.50	915.54	1,975.61

- Segment Reporting as per Indian Accounting Standard for Operating Segments (Ind AS 108), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder:
The Group is engaged in the manufacturing of the products of same type/class, and therefore there is no reportable Business Segments as per Indian Accounting Standard for Operating Segments (Ind AS 108), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and as per the said standard the Group has Geographical Segment which is given below:
a) Geographical Segment:
The analysis of the geographical segment is based on the sales made within India and outside India by the Group is as under:

(Rs. in Crores)						
Particulars	Quarter ended			Half Year ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income from operations :						
- Within India	449.86	425.64	408.49	875.50	794.92	1,695.66
- Outside India	85.61	76.39	77.29	162.00	149.46	308.79
Profit after tax:						
- Within India	21.74	33.31	31.37	55.05	58.41	125.94
- Outside India	2.62	(0.72)	2.90	1.90	4.03	7.77
Segment Assets :						
- Within India	871.85	846.94	758.91	871.85	758.91	869.98
- Outside India	180.51	179.68	169.05	180.51	169.05	172.72
Segment Liabilities :						
- Within India	295.79	293.34	304.49	295.79	304.49	348.44
- Outside India	99.43	102.77	96.31	99.43	96.31	97.00

- Ind AS 115 "Revenue from Contracts with Customers" is mandatory for reporting period beginning on or after April 01, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earning as at April 01, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results for the quarter and half year ended September 30, 2018.
- Previous quarter / half year / year ended figures have been regrouped / restated wherever considered necessary.

Place : Noida
Dated: November 05, 2018



For Sheela Foam Limited
(Rahul Gautam)
Managing Director

SHEELA FOAM LIMITED

Regd. office: C-55 Preet Vihar, Vikas Marg , New Delhi-110092
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**STATEMENT OF UNAUDITED STANDALONE ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2018**

(Rs. in Crores)

Particulars		As at September 30, 2018	As at March 31, 2018
		Unaudited	Audited
A	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	268.33	252.39
	Capital work in progress	0.90	3.72
	Investment Property	1.59	1.28
	Investments in Subsidiaries	96.70	96.70
	Financial Assets		
	- Investments	49.34	37.46
	- Loans	1.81	2.15
	- Other non-current financial assets	0.75	0.10
	Non-current tax assets (net)	-	0.11
	Other non-current assets	9.70	5.42
		429.12	399.33
2	Current assets		
	Inventories	149.00	129.85
	Financial Assets		
	- Investments	56.03	60.59
	- Trade receivables	121.56	101.60
	- Cash and cash equivalents	67.33	139.23
	- Bank balances other than cash and cash equivalents	14.10	5.61
	- Loans	0.52	0.39
	- Other current financial assets	23.15	27.40
	Other current assets	33.21	24.47
		464.90	489.14
	TOTAL ASSETS	894.02	888.47
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	24.39	24.39
	Other Equity	576.93	521.94
		601.32	546.33
2	Liabilities		
	Non-current liabilities		
	Financial Liabilities		
	- Borrowings	0.30	0.30
	- Other non-current financial liabilities	62.77	54.45
	Provisions	16.23	14.64
	Deferred tax liabilities (net)	4.68	5.56
	Other non-current liabilities	0.33	-
		84.31	74.95
	Current liabilities		
	Financial Liabilities		
	- Borrowings	-	0.18
	- Trade Payables	98.05	113.15
	- Other current financial liabilities	60.23	82.08
	Provisions	13.72	11.71
	Current tax liabilities (net)	4.92	-
	Other current liabilities	31.47	60.07
		208.39	267.19
	TOTAL EQUITY AND LIABILITIES	894.02	888.47



Place : Noida
Dated: November 05, 2018

For Sheela Foam Limited

(Signature)
(Rahul Gautam)
Managing Director

SHEELA FOAM LIMITED

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**STATEMENT OF UNAUDITED CONSOLIDATED ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2018**

(Rs. in Crores)

Particulars		As at September 30, 2018	As at March 31, 2018
		Unaudited	Audited
A	ASSETS		
1	Non-current assets		
	Property, Plant and Equipment	348.50	338.92
	Capital work in progress	0.90	52.23
	Investment Property	59.18	1.28
	Goodwill	8.20	8.18
	Financial Assets		
	- Investments	49.34	37.46
	- Loans	2.32	2.67
	- Other non-current financial assets	2.27	1.10
	Non-current tax assets (net)	2.15	1.52
	Other non-current assets	9.70	7.19
		482.56	450.55
2	Current assets		
	Inventories	188.87	172.58
	Financial Assets		
	- Investments	56.03	60.59
	- Trade receivables	172.37	147.31
	- Cash and cash equivalents	75.99	151.66
	- Bank balances other than cash and cash equivalents	15.43	6.58
	- Loans	0.52	0.39
	- Other current financial assets	23.19	27.61
	Other current assets	37.40	25.43
		569.80	592.15
	TOTAL ASSETS	1,052.36	1,042.70
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	24.39	24.39
	Other Equity	632.75	572.87
		657.14	597.26
2	Liabilities		
	Non-current liabilities		
	Financial Liabilities		
	- Borrowings	7.31	8.26
	- Other non-current financial liabilities	62.77	54.45
	Provisions	17.39	15.65
	Deferred tax liabilities (Net)	0.29	2.04
	Other non-current liabilities	0.33	-
		88.09	80.40
	Current liabilities		
	Financial Liabilities		
	- Borrowings	28.79	27.40
	- Trade payables	132.89	146.78
	- Other current financial liabilities	85.10	108.72
	Provisions	22.06	19.51
	Current tax liabilities (net)	4.92	-
	Other current liabilities	33.37	62.63
		307.13	365.04
	TOTAL EQUITY AND LIABILITIES	1,052.36	1,042.70

Place : Noida
Dated: November 05, 2018



For Sheela Foam Limited

Rahul Gautam
(Rahul Gautam)
Managing Director

INDEPENDENT AUDITORS' REVIEW REPORT ON
STANDALONE INTERIM FINANCIAL RESULTS

The Board of Directors,
Sheela Foam Limited,
New Delhi.

1. We have reviewed the accompanying Statement of **Unaudited Standalone Financial Results** (the 'Statement') of **Sheela Foam Limited** (the 'Company') for the quarter and half year ended September 30, 2018, being submitted by the Company pursuant to the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries, of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 to the extent applicable, read with the relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : New Delhi
Date : 05.11.2018

S.P. Chopra & Co.
Chartered Accountants
ICAI Firm Regn. No. 000346N



(Pawan K. Gupta)
Partner
M. No. 092529

INDEPENDENT AUDITORS' REVIEW REPORT ON
CONSOLIDATED INTERIM FINANCIAL RESULTS

The Board of Directors,
Sheela Foam Limited,
New Delhi.

1. We have reviewed the accompanying Statement of **Unaudited Consolidated Financial Results** (the 'Statement') of **Sheela Foam Limited** (the 'Company') and its Subsidiary Companies (collectively referred to as 'Group') for the quarter and half year ended September 30, 2018, being submitted by the Company pursuant to the requirements of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular').

These Consolidated Financial Results include the financial results of the following entities.

Name of Entity	Nature of relationship
Sheela Foam Limited	Parent Company
Joyce Foam Pty. Ltd. and its Controlling entities	100 % Foreign Subsidiary
Divya Software Solutions Private Limited	100% Indian Subsidiary
Sleepwell Enterprises Private Limited	100% Indian Subsidiary

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there-under and other accounting principles generally accepted in India. Our responsibility is to issue a report on this Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Contd..p/2



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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Consolidated Financial Results prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 to the extent applicable, read with the relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial results of the two wholly owned subsidiaries namely Joyce Foam Pty. Ltd. and its Controlling entities and Divya Software Solutions Private Limited, whose financial results reflect total revenue and profit (net) of Rs. 85.75 crores and Rs. 2.32 crores respectively for the quarter ended September 30, 2018, and Rs. 162.27 crores and Rs. 1.45 crores respectively for the half year ended September 30, 2018, as considered in the Consolidated Financial Results. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Company's Management and considered by us while giving our conclusion on the Consolidated Results of the Group.

S.P. Chopra & Co.
Chartered Accountants
ICAI Firm Regn. No. 000346N



(Pawan K. Gupta)
Partner
M. No. 092529

Place : New Delhi
Date : 05.11.2018

SHEELAFOAM LIMITED Q2 FY 19 RESULTS

During this quarter, Sheela Foam Limited posted Revenue from operations of Rs.535 crores, compared to Rs.486 crores of Q2FY 18, an increase of more than 10 %. The EBITDA for Q2FY19 was Rs. 43 crores as compared to Rs. 57 crores of Q2FY18. Net profit for Q2FY19 was Rs. 24 crores as compared to Rs. 34 crores of Q2FY18.

During the qtr. the Revenue from operations on standalone basis was Rs. 450 crores compared to Rs. 408 crores i.e. an increase of more than 10 %. However the EBITDA decreased from Rs. 50 crores to Rs.36 crores. The Net profit also decreased from Rs.31crores to Rs. 22 crores.

The temporary EBITDA reduction vis-à-vis corresponding quarter was due to Increase in raw material costs, not fully absorbed by price increases. Average TDI cost increased to Rs 280 per kg from Rs. 260 per kg. The average Polyol prices went up from Rs. 109 per kg to Rs 130 per kg, primarily due to foreign exchange fluctuation.

The temporary EBITDA reduction vis-à-vis trailing quarter was due to additional Expenditure incurred on more than 800 MBOs converted into EBOs .As against the target of 4000 EBO by March 2020, the Company has already made 3610 EBO. Further, the Company is now focusing on Tertiary Sales and is investing in improving the footfalls and the conversion rate in Exclusive Branded Outlets. This resulted into Higher Marketing & selling Expenses.

To Improve the EBITDA, the Company has already implemented price increase w.e.f. 1.10.2018 for Branded Bedding Products.

During this quarter, Revenue from operations from Australia was Rs.86 crores, compared to Rs. 77 crores, an increase of more than 10%. The EBITDA, was constant at Rs. 7 crores .

Particulars (Rs.Cr.)	Q2FY19	GROWTH	HY FY19	GROWTH
REVENUE FROM OPERATIONS	535	10.2%	1038	13.3%
EBITDA	43		93	
EBITDA MARGIN-%	8%		9%	
PROFIT AFTER TAX	24		57	

Other Updates:

1. **Raw Material Prices:** The price of TDI, one of the critical raw materials was Rs. 295 per kg at the beginning of the quarter, which went down to Rs.250 per kg by the end of the quarter. However full benefit of the same could not be achieved, due to carrying Inventory of imported TDI. Present price of TDI is Rs. 205 per kg.

2. **Exclusive Branded Outlets (EBO):** During the first half, the Company has taken an aggressive approach to convert MBO to EBO. This resulted into higher expenditure on In -Shop Advertising, leading to a temporary decline in EBITDA for the current quarter. The Company expects higher growth through EBO ,in times to come

3. **PRICES:** Considering the foreign Exchange Fluctuation and increased expense on Marketing & Selling Expenses ,the Company has decided to increase the prices of Branded Bedding products w.e.f. 1.10.2018