



27th November, 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: Receipt of Observation Letter with 'no adverse observations' from BSE Limited and 'no objection' from the National Stock Exchange of India Limited in relation to the draft 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"), 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")

Dear Sir/ Ma'am,

This is in connection with our letter dated March 28, 2024 informing about the decision taken by the Board of Directors of the Company approving the draft 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"), 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"), subject to receipt of various statutory and regulatory approvals

In this regard, we would like to inform you that the Company has received observation letter with 'no adverse

SHEELA FOAM LTD.

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

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Andheri East, Mumbai, Maharashtra, India, 400059 • Ph: Int-91-22-28265686/88/89

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CIN- L74899MH1971PLC427835



observations' from BSE Limited on November 25, 2024 and observation letter with 'no adverse observations' from the National Stock Exchange of India Limited on November 27, 2024. The copies of said letters are enclosed herewith.

The Scheme remains subject to various statutory and regulatory approvals and of the respective shareholders and creditors of the companies involved in the Scheme, as may be required.

The Observation letters received from BSE Limited and National Stock Exchange of India Limited is also made available on the website of the Company at <https://www.sheelafoam.com/>

We request you to bring the above to the notice of all concerned.

Thanking you,
Yours faithfully,

For **Sheela Foam Limited**

Md. Iquebal Ahmad
Company Secretary
ACS – A20921

Enclosed:

1. Annexure 1 – Receipt of Observation letter from BSE
2. Annexure 2 – Receipt of Observation letter from NSE

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DCS/AMAL/AK/R37/3414/2024-25

November 25, 2024

The Company Secretary,
Sheela Foam Ltd
1002 to 1006,
The Avenue International Airport Road,
Opp Hotel Leela Sahar,
Andheri East, Mumbai,
Maharashtra, 400069

Dear Sir,

Sub: Scheme of Arrangement between Belvedere International Limited (Transferor Company 1) and Kanvas Concepts Private Limited (Transferor Company 2) and Kurlon Retail Limited (Transferor Company 3) and Komfort Universe Products and Services Limited (Transferor Company 4) and Starship Value Chain and Manufacturing Private Limited (Transferor Company 5) and Kurlon Enterprise Limited (Transferee Company / Amalgamating Company) and Sheela Foam Limited (Amalgamated Company) and their respective shareholders

We are in receipt of the Scheme of Arrangement between Belvedere International Limited (Transferor Company 1) and Kanvas Concepts Private Limited (Transferor Company 2) and Kurlon Retail Limited (Transferor Company 3) and Komfort Universe Products and Services Limited (Transferor Company 4) and Starship Value Chain and Manufacturing Private Limited (Transferor Company 5) and Kurlon Enterprise Limited (Transferee Company / Amalgamating Company) and Sheela Foam Limited (Amalgamated Company) and their respective shareholders as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37 & 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS Div/P/CIR/2022/000000103 dated July 29, 2022 (SEBI Circular) and Regulation 59A & 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated November 25, 2024 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a. "The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b. "The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c. "The Company shall ensure compliance with SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."
- e. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable."



- f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable."
- g. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders."
- h. "Company is advised that proposed equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."
- i. "Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document."
- j. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- k. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- l. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- m. "Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the Para 10 (a) & (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document."
- n. "The entities involved in the proposed scheme shall not provide any misstatements or furnish false information with regards to disclosures to be made in the draft scheme of amalgamation as per provisions of chapter XII of the operational circular dated May 21, 2024 and comply with other requirements of the aforesaid Operational Circular."
- o. "The listed entity involved in the proposed scheme shall include information pertaining to the unlisted entities, if any in the format specified for abridged prospectus as provision as provided in the Part B of Schedule I of SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, in the notice or proposal to be sent to the holders of NCDs/NCRPs while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process."
- p. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchanges on its website within 24 hours of receiving the same."
- q. "The entities involved in the scheme shall ensure to comply with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars."
- o. "Company is advised to disclose the following as a part of the Explanatory Statement or Notice or Proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013, to enable them to take an informed decision;
 - i. Need, rationale and synergies of the scheme along with its impact of the scheme on the shareholders

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- ii. **Details of assets, liabilities, net worth and revenue of the Companies involved in the scheme for both pre and post scheme of arrangement.**
 - iii. **A writeup on the history of transferor companies.**
 - iv. **Latest Net Worth Certificate along with statement of Assets and Liabilities of all companies involved in the Scheme of arrangement for both pre and post scheme of arrangement**
 - v. **Comparison of revenue and net worth of the Transferor Companies with the total revenue and net worth of the Transferee Company in the last three financial years.**
 - vi. **Justification for 'appointed date' significantly ante-dated beyond a year from the date of filing with Hon'ble NCLT, and how the same is in the interest of public shareholders, in terms of General Circular 09/2019 (F. NO 7/12/2019/CL-I), issued by Ministry of Corporate Affairs ON August 21, 2019.**
 - vii. **Company shall ensure that applicable additional information, if any to be submitted to SEBI along with the draft scheme of arrangement as per Exchange queries dated April 22, 2024 shall form a part of disclosures to shareholders.**
- o. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders; while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Byelaws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order

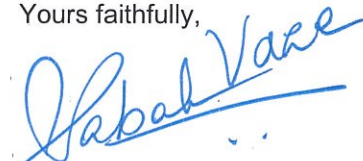


passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Sabah Vaze
Senior Manager



Jayanti Pradhan
Assistant Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/41153

November 26, 2024

The Company Secretary
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi- 110001

Kind Attn.: Mr. Md. Iquebal Ahmad

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between Belvedere International Limited (Transferor Company 1) and Kanvas Concepts Private Limited (Transferor Company 2) and Kurlon Retail Limited (Transferor Company 3) and Komfort Universe Products and Services Limited (Transferor Company 4) and Starship Value Chain and Manufacturing Private Limited (Transferor Company 5) and Kurlon Enterprise Limited (Transferee Company / Amalgamating Company) and Sheela Foam Limited (Amalgamated Company) and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

We are in receipt of captioned draft scheme of arrangement filed by Sheela Foam Limited.

Based on our letter reference no. NSE/LIST/41153 dated September 10, 2024, submitted to SEBI pursuant to SEBI Master Circular dated June 20, 2023 read with Regulation 59A, 94(2) and 94A(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) and SEBI Operational Circular No. SEBI/HO/DDHS/DDHS_PoD-1/P/CIR/2024/48 dated May 21, 2024, SEBI vide its letter dated November 25, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) *The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- b) *The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the listed Companies and the Stock Exchanges.*
- c) *The Company shall ensure compliance with the SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the Master Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company.*

This Document is Digitally Signed

Non-Confidential



Signer: KHYATI NANDAN VIDWANS
Date: Tue, Nov 26, 2024 13:56:27 IST
Location: NSE

Ref: NSE/LIST/41153

November 26, 2024

- d) *The Company shall ensure that the information pertaining to all the Unlisted Companies, if any, involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval, if applicable.*
- e) *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old, if applicable.*
- f) *The Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- g) *The Company shall ensure that the proposed equity shares, if any, to be issued in terms of the “Scheme” shall mandatorily be in demat form only.*
- h) *The Company shall ensure that the “Scheme” shall be acted upon subject to the Company complying with the relevant clauses mentioned in the scheme document.*
- i) *The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- j) *The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*
- k) *The Company shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- l) *The Company shall ensure that the “Scheme” shall be acted upon subject to the applicant complying with the Para 10 (a) and (b) of Part I of SEBI Master Circular issued on June 20, 2023 and relevant clauses mentioned in the scheme document.*

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- m) *The entities involved in the proposed scheme shall not provide any mis-statement or furnish false information with regard to disclosures to be made in the draft scheme of amalgamation as per provisions of Chapter XII of the Operational Circular issued on May 21, 2024 and comply with other requirements of the aforesaid Operational Circular.*
- n) *The listed entities involved in the proposed scheme shall include information pertaining to unlisted entities, if any, in the format specified for abridged prospectus as provided in Part B of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 in the notice or proposal to be sent to the holders of NCDs/NCRPS while seeking approval for the scheme. The accuracy and adequacy of such disclosures shall be certified by the SEBI registered Merchant Banker after following the due diligence process.*
- o) *The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.*
- p) *The Company shall ensure that the entities involved in the proposed scheme have complied with the relevant provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Covenants of the Debenture Trust Deeds entered with the Debenture Trustee(s) any other relevant regulations and circulars.*
- q) *The Companies shall disclose the following additional disclosure to the public shareholders as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, to enable them to take an informed decision:*
- i. *Need, rationale and synergies of the scheme along with its impact on the shareholders.*
 - ii. *Details of assets, liabilities, net worth, revenue of the companies involved in the scheme, for both pre and post scheme of arrangement.*
 - iii. *A write up on the history of the transferor companies.*
 - iv. *Latest Net Worth certificate along with statement of assets and liabilities of all the companies involved in the scheme of arrangement for both pre and post the scheme of arrangement.*
 - v. *Comparison of revenue and net worth of transferor companies with the total revenue and net worth of the transferee company for last three financial years.*

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- vi. *Justification for “appointed date” significantly ante-dated beyond a year from the date of filing with NCLT, and how the same is in the interest of public shareholders in terms of General Circular 09/2019 (F. No. 7/12/2019/CL-I), issued by Ministry of Corporate Affairs on August 21, 2019.*
 - vii. *The Companies shall ensure that all the applicable additional information, if any, shall form part of disclosures to the shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*
- r) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

The Listed entities involved in the proposed Scheme shall disclose the No-Objection Letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

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The validity of this “Observation Letter” shall be six months from November 26, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Khyati Vidwans
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: <https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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