

ADVISORY / VALUATION REPORT TO RECOMMEND FAIR EXCHANGE RATIO UPON
MERGER BETWEEN

-Amalgamated Company –

SHEELA FOAM LIMITED

-Transferee Company/ Amalgamating Company –

KURLON ENTERPRISE LIMITED

Transferor Companies

1. BELVEDORE INTERNATIONAL LIMITED
2. KANVAS CONCEPTS PRIVATE LIMITED
3. KURLON RETAIL LIMITED
4. KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
5. STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED

Arunesh Kumar Dubey
Registered Valuer-Securities or Financial Assets
IBBI Registration No. IBBI/RV/03/2020/12786

Ref. No. FY 2023-24/2nd half/88

Date: 28.03.2024

To,
The Board of Director
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi, India, 110001

The Board of Directors
Kurlon Enterprise Limited
#1002/1006, The Avenue, International A
Opp. Hotel Leela, Andheri (East),
Mumbai, Maharashtra,
India, 400059

Subject: Recommendation of share exchange ratio

Dear Sir,

In accordance with the terms of our engagement, we have prepared a valuation report to recommend the fair share exchange ratio (the "Share Exchange Ratio") for the proposed amalgamation of Kurlon Enterprise Limited ("KEL") with Sheela Foam Limited ("SFL") on a going concern basis with effect from the appointed date (as defined in the scheme) ("**Proposed Amalgamation**"), as more particularly provided for in the Composite Scheme of Arrangement 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**") as per the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, as explained below.

Sheela Foam Limited ("SFL") 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, molding 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.

Kurlon Enterprise Limited ("KEL") 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.

Pursuant to the Proposed Amalgamation and subject to necessary approvals, KEL (the "Transferee Company") is proposed to be merged into SFL (the "Amalgamated Company") with effect from **20th October, 2023 ("Appointed Date")**.

For this report, Transferee Company and Amalgamated Company are collectively referred to as the "Companies" (as of the valuation date).



We have been appointed by the management of "Sheela Foam Limited" or the "Amalgamated Company" and "Kurlon Enterprise Limited" or the "Amalgamating Company" as the Registered Valuer on **24th February 2024** to carry out equity share valuation of companies and to recommend the fair Share Exchange Ratio for the Proposed Amalgamation for the compliance of the requirements of Securities Exchange Board of India and the Companies Act, 2013.

For this valuation, we have carried out relative valuations of the Companies and the valuation is based on 'going concern' premise.

Our analysis and report are in conformity with the "**International Valuation Standards**" (IVS). In addition to the general standards/ guidelines issued by the ICSI RVO.

The report sets out our recommendation of the fair Share Exchange Ratio and discusses the methodologies and approach considered in the computation of the relative fair values of the Companies.

This report must be considered in the above-mentioned context only and is not an advisory document for any other purpose. The report may not be distributed, reproduced, or used, without our express written consent for any purpose other than mentioned above.

In rendering the advisory services, we reviewed and relied upon various materials/ information provided by the management and its advisors. Our report is based on the historical financial information provided to us by the management. Because of the limited purpose of this report, the financial information presented in this report may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed, or compiled the financial information provided by the management and express no assurance on it.

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL, is:

"52 equity shares of SFL of INR 5 each fully paid up for every 100 equity shares of KEL of INR 5 each fully paid up."

We have no present or contemplated financial interest in SFL, KEL and their subsidiaries and/or associate companies. Our fees for this valuation are based upon our normal billing rates and are in no way contingent upon the results of our findings. We have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report. This report is not to be copied or made available to any persons without the express written consent.



(Arunesh Kumar Dubey)
Registered Valuer (Securities or Financial Assets)
IBBI Registration No. IBBI/RV/03/2020/12786

ENGAGEMENT OVERVIEW

Arunesh Kumar Dubey, Valuer registered with Insolvency and Bankruptcy Board of India under Securities or Financial Assets class, has been engaged to prepare and deliver a report for recommendation of share exchange ratio (hereinafter referred to as "Fair Equity Share Exchange Ratio") for the Proposed Amalgamation of Kurlon Enterprise Limited into Sheela Foam Limited (hereinafter jointly referred to as "Companies") on going concern basis. Accordingly, Registered Valuer has prepared the report on the recommendation of fair equity share exchange ratio for Proposed Amalgamation.

A. PURPOSE AND SCOPE

The purpose of this report is to arrive at the proposed Share Exchange Ratio to be computed based on the relative valuation of the equity shares of the Companies as of the Valuation Date to comply with the valuation requirements of Securities Exchange Board of India and the Companies Act, 2013 with respect to the Proposed Amalgamation of the Companies.

The scope of services includes conducting relative valuation (not absolute valuation) of the equity shares of the Companies without considering the effect of Proposed Amalgamation and to provide a recommendation on Shares Exchange Ratio.

B. PREMISE OF VALUE

The present valuation of the company is undertaken by **Going Concern** (the company will continue to operate in future and earn cash flows).

C. RELEVANT DATE AND VALUATION DATE

For Sheela Foam Limited Relevant date is 28th March, 2024
For Kurlon Enterprise Limited Valuation date is 31st December, 2023

D. CONFLICT OF INTEREST

The Valuer is not related to the Company or its promoters or its director or their relatives, the valuer has not any interest or conflict of interest with respect to the valuation under consideration

E. VALUATION STANDARD

We have prepared our report as per the **International Valuation Standards (IVS)**.

F. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

This report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further our report on recommendation of fair equity share exchange ratio is in accordance with International Valuation Standards.



- This report has been prepared for board of directors of the Companies solely for the purpose of recommending a fair Share Exchange Ratio for the Proposed Amalgamation.
- Valuation is not a precise science, and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While we have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- The Management has represented that the Companies have clear and valid title of assets. No investigation on the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid.
- The draft of the present report (excluding the recommended fair equity share exchange ratio) was circulated to the management to confirm the facts stated in the report and to confirm that the information or facts stated are not erroneous.
- For this exercise, we were provided with both written and verbal information including information detailed in the section 'Sources of Information' of this report. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies/auditors/consultants is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements by the Management may materially affect our valuation analysis/conclusions.
- Our work does not constitute an audit, due diligence or certification of the information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and the consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided/obtained was materially misstated/incorrect or would not afford reasonable grounds upon which to base the report.
- Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report as agreed with the Management.
- Our recommendation is based on the estimates of future financial performance as projected by the Management, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that a particular level of income or profit will be achieved, or events will occur as predicted. As part of our evaluation process, we have evaluated the reasonableness of the projections prepared by the Management and had discussion with the Management to understand the basis and assumptions for the preparation of projections. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as being associated with or a party to such projections.
- A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other



matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

- The fee for the engagement and this report is not contingent upon the results reported. We have no present or contemplated financial interest in any of the Companies.
- Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation.
- Any person/party intending to provide finance/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- The decision to carry out the transaction (including consideration thereof) lies entirely with the Management and our work, and our finding shall not constitute a recommendation as to whether or not the Management should carry out the transaction.
- This report is meant only for the purpose mentioned in the report and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law. This report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- Neither valuer, nor our partners and employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information based on which the valuation is carried out. All such parties expressly disclaim any and all liability for/or based on or relating to any such information contained in the valuation.

G. SCOPE OF ANALYSIS

Our expression of the recommendation of the fair Share Exchange Ratio based on the relative fair values of the Companies is supported by all procedures that we deem to be relevant. We have obtained sufficient information and relied on the data, facts, information, documents, and explanations as authenticated, and provided to us by the Management. Our recommendation is based on the information listed below.

- Proposed Scheme of Arrangement
- Consolidated Provisional financial statements of Kurlon Enterprise Limited (Amalgamating Company) for the period 01st April 2023 to 31st December 2023 and next ten years consolidated projections and
- Other information provided as well as discussions held with the management and other personnel of the Companies; and
- Published and secondary sources of data whether or not made available by the Companies.



- Representations given by the management are either written or oral from time to time.
- Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.
- The Company has been provided with an opportunity to review the draft report as part of my standard practice to make sure the factual inaccuracies/ omissions are avoided in my report.

H. COMPANIES OVERVIEW:

1. **Sheela Foam Limited** ("SFL") was incorporated as a public limited company on June 18, 1971, under the provisions of the Companies Act, 2013 with corporate identification number L74899DL1971PLC005679 and having its registered office situated at 604 Ashadeep, 9 Hailey Road, New Delhi, India, 110001 ("hereinafter referred to as "**Amalgamated Company**").

The equity shares of SFL are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively hereinafter referred to as "Stock Exchanges").

SFL 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, molding 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.

Shareholding Pattern

The shareholding pattern of SFL as on the Valuation Date is provided in the table below.

Sheela Foam Limited		
Shareholding Pattern as on Valuation Date		
Name of shareholders	Category	No. of Shares
Tushaar Gautam	Promoter	34172628
Rahul Gautam	Promoter	12418970
Namita Gautam	Promoter Group	11431758
Rangoli Resorts Private Limited	Promoter	13150818
Public	Public	37523167



2. **Kurlon Enterprise Limited (“KEL”)** was incorporated as a public limited company on October 03, 2011, under the provisions of the Companies Act, 2013 with corporate identification number U36101MH2011PLC222657 and having its registered office situated at #1002/1006, The Avenue, International A Opp. Hotel Leela, Andheri (East), Mumbai, Maharashtra, India, 400059 (“hereinafter referred to as **Transferee Company**” or the **“Amalgamating Company”**). KEL 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.

Kurlon Enterprise Limited Shareholding Pattern as on Valuation Date		
Name of shareholders	Category	No. of Shares
Sheela Foam Limited	Listed Company	35545951
Public	Public	1006310

3. **Belvedere International Limited (“BIL”)** was incorporated as a public limited company on December 21, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2020PLC142418 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 1**”). BIL is a wholly owned subsidiary of KEL. BIL 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.
4. **Kanvas Concepts Private Limited (“KCPL”)** was incorporated as a private limited company on September 22, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U74999KA2020PTC138867 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 (“hereinafter referred to as **Transferor Company 2**”). KCPL is a wholly owned subsidiary of KEL. KCPL is engaged in the business of interiors & 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.



5. **Kurlon Retail Limited ("KRL")** was incorporated as a public limited company on August 31, 2012, under the provisions of the Companies Act, 2013 with corporate identification number U36104KA2012PLC065664 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 3**"). KRL is a wholly owned subsidiary of KEL. KRL 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.
6. **Komfort Universe Products and Services Limited ("KUPSL")** was incorporated as a public limited company on January 18, 2021, under the provisions of the Companies Act, 2013 with corporate identification number U52520KA2021PLC143244 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 4**"). KUPSL is a wholly owned subsidiary of KEL. KUPSL 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.
7. **Starship Value Chain and Manufacturing Private Limited ("SVC MPL")** was incorporated as a private limited company on October 09, 2020, under the provisions of the Companies Act, 2013 with corporate identification number U36900KA2020PTC139535 and having its registered office situated at N-301, 3rd Floor, North Block Manipal Centre 47 Dickenson Road, Bangalore, Karnataka, India, 560042 ("hereinafter referred to as **Transferor Company 5**"). SVC MPL is a wholly owned subsidiary of KEL. SVC MPL 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.



I. SCHEME OVERVIEW

Composite Scheme of Arrangement ("Scheme") provides for:

- (i) Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4, Transferor Company 5 (collectively hereinafter referred to as the Transferor Companies), respectively into Transferee Company, with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Transferor Companies without being wound up and (ii) Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232, and other relevant provisions of the Companies Act, 2013.

Rational of Scheme:

The rationale for the Composite Scheme of Amalgamation is set out below:

- (a) The Amalgamating Company, along with 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.

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.

The intent of acquisition of the Amalgamating Company, along with Transferor Companies was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the companies into a single entity.

The Scheme would *inter-alia* have the following benefits:

- (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;
 - (h) Enhancing shareholder value and leveraging on synergies in doing the business; and
 - (i) Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization and efficiency.
- (b) Given the above, and 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) merge 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.

J. VALUATION APPROACH AND METHODOLOGY

To value the Companies, we considered three approaches to valuation, as provided under the IVS - Valuation Approaches and Methods: the market approach, the income approach, and the asset approach. We have reviewed and analyzed several methods and their results to determine which methods would generate the most reasonable opinion of value of their operations as on the Valuation Date. A description of the approaches used, and the approaches considered but not used are included within this report.

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adopted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.



Both internal and external factors which influence the value of the Companies have been reviewed, analyzed, and interpreted. Internal factors included the financial position and results of operations. External factors included, among other things, the status of the economy and the position of the Companies relative to the industry.

The objective of the valuation process is to make the best reasonable judgement of the value of the shares of the Company.

A brief explanation of each valuation approach is provided below.

Income Approach:

The income approach provides an estimate of the present value of the monetary benefits expected to flow to the owners of the business. It requires the projection of the cash flows that the business is expected to generate. These cash flows are then converted to their present value by means of discounting, using a rate of return that accounts for the time value of money and the appropriate degree of risk in the investment. The value of the business is the sum of the discounted cash flows.

Market Approach

The market approach considers actual arm's-length transactions for which the market value of investments alternative to the subject company can be observed. The value of a company or an ownership interest in the company can be estimated by developing relevant multiples for the comparative companies that relate value to underlying revenue, earnings, or cash flow variable, and then applying these multiples to the comparable underlying revenue, earnings, or cash flow variable for the subject company. The value multiples can be derived from guideline public company and guideline transactions of the publicly traded company or private companies.

Cost (Asset-Based) Approach

The asset-based (net underlying assets) approach is a form of the cost approach. The values of the individual assets (i.e., current, fixed, and intangible) of the business are estimated. The sum of the individual asset values represents the total asset value of the enterprise. The enterprise's liabilities related to working capital are deducted to arrive at an indication of value for the invested capital of the business. Because the cost approach does not always reflect the full value of intangible assets, it is often not appropriate to value an operating business completely on the basis of this approach without giving weights to other valuation methods. The cost approach may be relevant to the value of an operating business that is not sufficiently profitable and whose "breakup" values may be greater than its going concern value.



K. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

As on the valuation date, as per Composite Scheme of Arrangement ("Scheme") of Amalgamation of Amalgamating Company with Amalgamated Company with effect from the Appointed Date (as mentioned in the scheme) and the consequent dissolution of the Amalgamating Company without being wound up; and issuance of the shares New Equity Shares to the equity shareholders of Amalgamating Company in accordance with Share Exchange Ratio, pursuant to section 230-232, and other relevant provisions of the Companies Act, 2013.

The fair basis for recommending the Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL is dependent upon various factors and considerations mentioned here in this report. Though different values have been arrived at under different methods, for the purpose of recommending a ratio of exchange it is necessary to arrive at a single value for the shares of the companies. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out relative value of shares of the Companies to facilitate the determination of the fair Share Exchange Ratio.

For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach.

We have independently applied approaches / methods discussed above, as considered appropriate and arrived at their assessment of the relative values per equity share of the Companies. To arrive at the fair share exchange ratios for the Proposed Amalgamation, suitable minor adjustments / rounding off have been made in the relative values arrived.

The fair equity share exchange ratio has been arrived based on a relative valuation of equity shares of the Companies based on the approaches explained herein and various qualitative factors relevant to the companies and the business dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions, and limitations.

In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement considering all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share.



In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove in this report, we recommend the following fair equity share exchange ratio for the Proposed Amalgamation, whose computation as required is as under:

The calculation of fair Share Exchange Ratio of SFL and KEL is presented in Exhibit I.

Exhibit 1
SHEELA FOAM LIMITED
KURLON ENTERPRISE LIMITED
Computation of Fair Share Exchange Ratio

Valuation Approaches	Sheela Foam Limited (1)		Kurlon Enterprise Limited (2)	
	Value per Share	Weight	Value per Share	Weight
Asset Approach	NA	0%	NA	0%
Income Approach	NA	0%	591.80	100%
Market Approach	1137.99	100%	NA	0%
Relative fair Value Per Share	1137.99	100%	591.80	100%
Exchange Ratio Rounded			0.52	

L. CONCLUSION

Based on our study and analytical review procedures, and subject to the limitations expressed within this report, the recommended fair Share Exchange Ratio for the Proposed Amalgamation of KEL with SFL, is:

"52 equity shares of SFL of INR 5 each fully paid up for every 100 equity shares of KEL of INR 5 each fully paid up."



 (Arunesh Kumar Dubey)
 Registered Valuer (Securities or Financial Assets)
 IBBI Registration No. IBBI/RV/03/2020/12786

NOTES TO EXHIBIT 1:

(1) Sheela Foam Limited:

Asset Approach:

As of the Valuation Date, SFL is intended to be continued on a going concern basis and there is no intention to dispose-off the assets/business. Accordingly, the asset approach was not used for the valuation of SFL.

Income Approach:

As SFL is listed on BSE and NSE under the ticker "SFL" and is frequently traded therefore Income approach was not used for the valuation of SFL.

Market Approach:

As previously discussed, SFL is listed on BSE and NSE under the ticker "SFL". As of the Valuation Date, SFL is actively traded on stock exchanges.

According to Section 164(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("ICDR") for issuers that have been listed on a recognized stock exchange for a period of 90 days or more as on the relevant date, the price of equity shares to be allotted pursuant to the preferential issue shall not be less than higher of the following:

- The 90 trading days' Volume Weighted Average Price ("VWAP") of related equity shares quoted on the recognized stock exchange preceding the relevant date.
- The 10 trading days' VWAP of related equity shares quoted on the recognized stock exchange preceding the relevant date.

Based on the guidance given in the ICDR regulations for determining the share price, we have calculated the per share value of SFL based on the formula of 90 days / 10 days VWAP.

As presented above, only the market approach is considered.



(2) Kurlon Enterprise Limited:

Asset Approach:

As of the Valuation Date, KEL is intended to be continued on a going concern basis and there is no intention to dispose of the assets/business. Accordingly, an asset approach was not used for the valuation of KEL.

Income Approach:

Given the nature of the business of KEL and based on the multi-year projections provided by the Management, we have applied an income approach to compute the fair value of KEL.

Market Approach:

Company not listed on any stock exchange and also due to the non-existence of comparable listed companies at this stage therefore Market Approach has not been considered by us.



APPENDIX A

VALUATION OF EQUITY SHARE OF SHEELA FOAM LIMITED

For Sheela Foam Limited (Amalgamated Company) valuation has been done based on following methodologies

SHEELA FOAM LIMITED			
Valuation Approach	Value per Share	Weight	Weightage Value per share
Asset Approach	---	0%	0.00
Income Approach	---	0%	0.00
Market Approach	1137.99	100%	1137.99
Total			1137.99

APPENDIX B

VALUATION OF EQUITY SHARE OF KURLON ENTERPRISE LIMITED

For Kurlon Enterprise Limited (Amalgamating Company) valuation has been done based on following methodologies

KURLON ENTERPRISE LIMITED			
Valuation Approach	Value per Share	Weight	Weightage Value per share
Asset Approach	---	0%	0
Income Approach	591.80	100%	591.80
Market Approach	---	0%	0
Total			591.80



APPENDIX C

COMPUTATION OF ISSUE PRICES AND HISTORICAL TRADED VOLUME OF SHEELA FOAM LIMITED

Valuation using the Market Price ("MP") method - Market Approach of Sheela Foam Limited			
Relevant date	28-Mar-24		
Relevant Exchange	NSE		
<u>Particulars</u>	<u>Reference</u>	<u>Unit</u>	<u>Price INR</u>
Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date	A	INR per share	1137.99
Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date	B	INR per share	944.99
Market price as per ICDR	C = Higher of A and B	INR per share	1137.99



Reference "A"

Average of 90 trading days volume weighted average price ("VWAP") preceding the relevant date

Days	Date	Number of shares traded	Daily turnover (INR)	Days	Date	Number of shares traded	Daily turnover (INR)
1	17-Nov-23	18814	20808333	46	23-Jan-24	36085	41222863
2	20-Nov-23	222260	253331675	47	24-Jan-24	27337	30937546
3	21-Nov-23	155870	182399482	48	25-Jan-24	16842	19118559
4	22-Nov-23	88381	101754742	49	29-Jan-24	66999	76458646
5	23-Nov-23	57685	67022866	50	30-Jan-24	41818	47397277
6	24-Nov-23	71872	84238190	51	31-Jan-24	98600	114354857
7	28-Nov-23	51053	59716800	52	01-Feb-24	70560	80871974
8	29-Nov-23	42065	48723656	53	02-Feb-24	27181	30848847
9	30-Nov-23	125714	144128069	54	05-Feb-24	47265	53872219
10	01-Dec-23	62869	72869279	55	06-Feb-24	53562	61843563
11	04-Dec-23	50751	59197261	56	07-Feb-24	107932	121928467
12	05-Dec-23	193467	228649673	57	08-Feb-24	52847	59600524
13	06-Dec-23	53414	62096029	58	09-Feb-24	43754	48275191
14	07-Dec-23	36010	41841758	59	12-Feb-24	38567	41809549
15	08-Dec-23	37637	43571176	60	13-Feb-24	57437	62339896
16	11-Dec-23	65550	76100139	61	14-Feb-24	90372	98984478
17	12-Dec-23	44295	51780488	62	15-Feb-24	23109	25143920
18	13-Dec-23	275344	332548116	63	16-Feb-24	34966	38341416
19	14-Dec-23	322375	400242398	64	19-Feb-24	38408	41632332
20	15-Dec-23	448553	573577249	65	20-Feb-24	30722	33199762
21	18-Dec-23	203587	257459146	66	21-Feb-24	24172	25953193
22	19-Dec-23	85421	107699919	67	22-Feb-24	18475	19756636
23	20-Dec-23	184243	230040078	68	23-Feb-24	42931	45487925
24	21-Dec-23	57524	69989914	69	26-Feb-24	21601	22655392
25	22-Dec-23	90354	109381017	70	27-Feb-24	20239	21138552
26	26-Dec-23	22777	27749053	71	28-Feb-24	99710	103465013
27	27-Dec-23	36505	44316120	72	29-Feb-24	41807	43153979
28	28-Dec-23	88680	109911206	73	01-Mar-24	20890	22030256
29	29-Dec-23	48520	60232666	74	02-Mar-24	1920	2023154
30	01-Jan-24	51567	64282566	75	04-Mar-24	17652	18426623
31	02-Jan-24	50750	62963650	76	05-Mar-24	25029	25745363
32	03-Jan-24	29447	36168986	77	06-Mar-24	41589	42117521
33	04-Jan-24	41320	50774277	78	07-Mar-24	38052	38737838
34	05-Jan-24	39263	48282797	79	11-Mar-24	38832	39091660
35	08-Jan-24	88123	105878778	80	12-Mar-24	37080	36900610
36	09-Jan-24	185573	228722038	81	13-Mar-24	60547	58580704
37	10-Jan-24	34095	40909281	82	14-Mar-24	127887	124100595
38	11-Jan-24	78301	96725524	83	15-Mar-24	63408	60816884
39	12-Jan-24	58032	71238243	84	18-Mar-24	40030	38444555
40	15-Jan-24	88564	107707287	85	19-Mar-24	42684	40492490
41	16-Jan-24	58899	71007361	86	20-Mar-24	71027	66451248
42	17-Jan-24	78320	92125211	87	21-Mar-24	106970	100735235
43	18-Jan-24	76447	89370963	88	22-Mar-24	192425	183074715
44	19-Jan-24	58436	67689124	89	26-Mar-24	102673	95856202
45	20-Jan-24	59525	68858038	90	27-Mar-24	457863	427351533
Total						7078108	8054850386



VWAP of 90 trading days volume weighted average price ("VWAP") preceding the relevant date	1137.99
--	---------

Reference "B"

Average of 10 trading days volume weighted average price ("VWAP") preceding the relevant date

Days	Date	Number of shares traded during the day	Daily turnover (INR)
1	13-Mar-24	60,547	5,85,80,704.15
2	14-Mar-24	1,27,887	12,41,00,594.85
3	15-Mar-24	63,408	6,08,16,884.30
4	18-Mar-24	40,030	3,84,44,554.60
5	19-Mar-24	42,684	4,04,92,490.25
6	20-Mar-24	71,027	6,64,51,248.45
7	21-Mar-24	1,06,970	10,07,35,235.20
8	22-Mar-24	1,92,425	18,30,74,714.90
9	26-Mar-24	1,02,673	9,58,56,201.60
10	27-Mar-24	4,57,863	427351533.4
Total		12,65,514	1,19,59,04,162
VWAP of 10 trading days volume weighted average price ("VWAP") preceding the relevant date			944.99

Historical Traded Quantity during the 240 trading days preceding the relevant date

Days	Date	Number of shares traded	Days	Date	Number of shares traded	Days	Date	Number of shares traded
1	13-Apr-23	20200	46	19-Jun-23	37215	91	23-Aug-23	32,568
2	17-Apr-23	22825	47	20-Jun-23	60958	92	24-Aug-23	38,764
3	18-Apr-23	12840	48	21-Jun-23	36679	93	25-Aug-23	37,012
4	19-Apr-23	15089	49	22-Jun-23	22143	94	28-Aug-23	40,798
5	20-Apr-23	7016	50	23-Jun-23	174350	95	29-Aug-23	45,951
6	21-Apr-23	9351	51	26-Jun-23	38,164	96	30-Aug-23	41,069
7	24-Apr-23	11604	52	27-Jun-23	19,141	97	31-Aug-23	42,152
8	25-Apr-23	4448	53	28-Jun-23	10,29,276	98	01-Sep-23	89,511
9	26-Apr-23	12285	54	30-Jun-23	2,29,208	99	04-Sep-23	44,925
10	27-Apr-23	4095	55	03-Jul-23	64,771	100	05-Sep-23	37,438
11	28-Apr-23	15574	56	04-Jul-23	41,830	101	06-Sep-23	28470
12	02-May-23	35779	57	05-Jul-23	39,051	102	07-Sep-23	45708
13	03-May-23	64370	58	06-Jul-23	57,071	103	08-Sep-23	65678
14	04-May-23	6449	59	07-Jul-23	30,229	104	11-Sep-23	79837
15	05-May-23	13912	60	10-Jul-23	59,783	105	12-Sep-23	88934



16	08-May-23	9537	61	11-Jul-23	1,33,025	106	13-Sep-23	37577
17	09-May-23	7199	62	12-Jul-23	52,984	107	14-Sep-23	32810
18	10-May-23	10776	63	13-Jul-23	1,24,361	108	15-Sep-23	35862
19	11-May-23	5923	64	14-Jul-23	53,701	109	18-Sep-23	143507
20	12-May-23	9299	65	17-Jul-23	6,62,618	110	20-Sep-23	308250
21	15-May-23	4783	66	18-Jul-23	27,88,004	111	21-Sep-23	352695
22	16-May-23	8388	67	19-Jul-23	3,36,473	112	22-Sep-23	77989
23	17-May-23	8638	68	20-Jul-23	1,39,328	113	25-Sep-23	88941
24	18-May-23	31485	69	21-Jul-23	2,70,128	114	26-Sep-23	151095
25	19-May-23	11703	70	24-Jul-23	69,469	115	27-Sep-23	51936
26	22-May-23	8212	71	25-Jul-23	81,174	116	28-Sep-23	201248
27	23-May-23	6324	72	26-Jul-23	1,30,953	117	29-Sep-23	709121
28	24-May-23	16380	73	27-Jul-23	68,368	118	03-Oct-23	834644
29	25-May-23	37978	74	28-Jul-23	60,250	119	03-Oct-23	78051
30	26-May-23	28821	75	31-Jul-23	1,20,544	120	04-Oct-23	108652
31	29-May-23	23010	76	01-Aug-23	71,097	121	05-Oct-23	255719
32	30-May-23	10383	77	02-Aug-23	1,04,933	122	06-Oct-23	37059
33	31-May-23	25953	78	03-Aug-23	1,85,068	123	09-Oct-23	85680
34	01-Jun-23	13356	79	04-Aug-23	1,71,607	124	10-Oct-23	60855
35	02-Jun-23	16186	80	07-Aug-23	73,083	125	11-Oct-23	36567
36	05-Jun-23	14146	81	08-Aug-23	42,186	126	12-Oct-23	29956
37	06-Jun-23	22127	82	09-Aug-23	30,314	127	13-Oct-23	121636
38	07-Jun-23	22764	83	10-Aug-23	38,364	128	16-Oct-23	66240
39	08-Jun-23	12058	84	11-Aug-23	41,779	129	17-Oct-23	101114
40	09-Jun-23	9352	85	14-Aug-23	25,216	130	18-Oct-23	73057
41	12-Jun-23	935051	86	16-Aug-23	35,905	131	19-Oct-23	38847
42	13-Jun-23	902566	87	17-Aug-23	39,819	132	20-Oct-23	200196
43	14-Jun-23	199491	88	18-Aug-23	49,756	133	23-Oct-23	63242
44	15-Jun-23	73892	89	21-Aug-23	69,820	134	25-Oct-23	94608
45	16-Jun-23	79121	90	22-Aug-23	36,259	135	26-Oct-23	54312

Days	Date	Number of shares traded	Days	Date	Number of shares traded	Days	Date	Number of shares traded
136	27-Oct-23	39944	171	18-Dec-23	203587	206	07-Feb-24	107932
137	30-Oct-23	55531	172	19-Dec-23	85421	207	08-Feb-24	52847
138	31-Oct-23	50096	173	20-Dec-23	184243	208	09-Feb-24	43754
139	01-Nov-23	42015	174	21-Dec-23	57524	209	12-Feb-24	38567
140	02-Nov-23	39392	175	22-Dec-23	90354	210	13-Feb-24	57437
141	03-Nov-23	134218	176	26-Dec-23	22777	211	14-Feb-24	90372
142	06-Nov-23	32120	177	27-Dec-23	36505	212	15-Feb-24	23109
143	07-Nov-23	21520	178	28-Dec-23	88680	213	16-Feb-24	34966
144	08-Nov-23	30544	179	29-Dec-23	48520	214	19-Feb-24	38408
145	09-Nov-23	33117	180	01-Jan-24	51567	215	20-Feb-24	30722
146	10-Nov-23	80655	181	02-Jan-24	50750	216	21-Feb-24	24172
147	12-Nov-23	16708	182	03-Jan-24	29447	217	22-Feb-24	18475
148	13-Nov-23	27736	183	04-Jan-24	41320	218	23-Feb-24	42931
149	15-Nov-23	19141	184	05-Jan-24	39263	219	26-Feb-24	21601
150	16-Nov-23	54646	185	08-Jan-24	88123	220	27-Feb-24	20239
151	17-Nov-23	18814	186	09-Jan-24	185573	221	28-Feb-24	99710
152	20-Nov-23	222260	187	10-Jan-24	34095	222	29-Feb-24	41807
153	21-Nov-23	155870	188	11-Jan-24	78301	223	01-Mar-24	20890
154	22-Nov-23	88381	189	12-Jan-24	58032	224	02-Mar-24	1920



155	23-Nov-23	57685	190	15-Jan-24	88564	225	04-Mar-24	17652
156	24-Nov-23	71872	191	16-Jan-24	58899	226	05-Mar-24	25029
157	28-Nov-23	51053	192	17-Jan-24	78320	227	06-Mar-24	41589
158	29-Nov-23	42065	193	18-Jan-24	76447	228	07-Mar-24	38052
159	30-Nov-23	125714	194	19-Jan-24	58436	229	11-Mar-24	38832
160	01-Dec-23	62869	195	20-Jan-24	59525	230	12-Mar-24	37080
161	04-Dec-23	50751	196	23-Jan-24	36085	231	13-Mar-24	60547
162	05-Dec-23	193467	197	24-Jan-24	27337	232	14-Mar-24	127887
163	06-Dec-23	53414	198	25-Jan-24	16842	233	15-Mar-24	63408
164	07-Dec-23	36010	199	29-Jan-24	66999	234	18-Mar-24	40030
165	08-Dec-23	37637	200	30-Jan-24	41818	235	19-Mar-24	42684
166	11-Dec-23	65550	201	31-Jan-24	98600	236	20-Mar-24	71027
167	12-Dec-23	44295	202	01-Feb-24	70560	237	21-Mar-24	106970
168	13-Dec-23	275344	203	02-Feb-24	27181	238	22-Mar-24	192425
169	14-Dec-23	322375	204	05-Feb-24	47265	239	26-Mar-24	102673
170	15-Dec-23	448553	205	06-Feb-24	53562	240	27-Mar-24	457863
Total Traded Quantity during the 240 trading days preceding the relevant date								23912966
Total number of shares outstanding Weighted Average								103409772
% of shares traded during the 240 trading days preceding the relevant date								23.12%





To The General Manager Department of Corporate Services BSE Limited P.J. Towers, Dalal Street Mumbai - 400001	To, Manager - Listing Compliance National Stock Exchange of India Limited 'Exchange Plaza'. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
--	--

Dear Sir,



Sub: Confirmation by the Company Secretary

I, Md. Iquebal Ahmad, being the Company Secretary of Sheela Foam Limited hereby confirms that:

- No material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchange and period under consideration for valuation.
- There have been no past defaults of listed debt obligations of the entities forming part of the Scheme.

Yours faithfully

For Sheela Foam Limited

Md. Iquebal Ahmad
Company Secretary

Date: April 04, 2024
Place: New Delhi