



Date: 14.05.2026

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

**Subject: Submission of Reports certifying compensation for Fractional Entitlements**

Dear Sir/Madam,

In compliance with Paragraph D of Part-I of the [Master Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/94](#) dated June 21, 2023 (and the June 20, 2023 circular for Schemes), we hereby submit the following documents in relation to the Composite Scheme of Arrangement involving Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited, Starship Value Chain and Manufacturing Private Limited into Kurlon Enterprise Limited, and further into **Sheela Foam Limited**:

1. **Report of the Audit Committee** certifying the compensation of eligible shareholders.
2. **Report of the Independent Directors** certifying the same.

The compensation was completed on Friday, May 08, 2026, and this disclosure is being made within the mandated 7-day timeline.

Kindly take the above on record.

For **Sheela Foam Limited**

**(Md. Iqebal Ahmad)**  
**Company Secretary & Compliance Officer**

*Encl: Reports certifying compensation for Fractional Entitlements*

**SHEELA FOAM LTD.**

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

Ph: Int-91-120-4868400 • Email: investorrelation@sheelafoam.com • contactus@sheelafoam.com

Regd. Office: 1002 to 1006 The Avenue, International Airport Road, Opp Hotel Leela Sahar,

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

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

CIN- L74899MH1971PLC427835



**THE REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF SHEELA FOAM LIMITED DATED MAY 14, 2026, CERTIFYING DISTRIBUTION OF PROCEEDS TO ELIGIBLE SHAREHOLDERS OF FRACTIONAL SHARES ("REPORT") PURSUANT TO THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS & SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED, AND SHEELA FOAM LIMITED AT ITS MEETING HELD ON THURSDAY, MAY 14, 2026**

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**Present:**

- 1. Som Mittal**
- 2. Ravindra Dhariwal**
- 3. Tushaar Gautam**
- 4. Neeraj Jain**

This report of the Audit Committee of the Board of Directors is made in compliance with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("SEBI Master Circular") and as amended from time to time.

## **1. Background**

**1.1** The Composite Scheme of Amalgamation involving Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited, Starship Value Chain and Manufacturing Private Limited into Kurlon Enterprise Limited, and further into Sheela Foam Limited (the "Company") and their respective shareholders and creditors ("Scheme"), was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench on September 17, 2025.

**1.2** In terms of the Scheme, eligible equity shareholders of Kurlon Enterprise Limited as on the record date (i.e. January 30, 2026) were allotted equity shares of the Company on February 03, 2026 in the share exchange ratio of 52 fully paid-up equity share of Rs. 5 each of the Company for every 100 fully paid-up equity shares of Rs. 5 each of the Kurlon Enterprise Limited. Accordingly, the Company allotted 4,88,146 equity shares of Rs. 5 each to the eligible equity shareholders of Kurlon Enterprise Limited which includes the allotment of 575 equity shares of Rs. 5 each ("Fractional Shares"). The Board of Directors of the Company appointed '**Sheela Foam Limited Fractional Shares Trust 2025**' managed by Axis Trustee Limited ("Trustee") to hold Fractional Shares in trust on behalf of the eligible equity shareholders of Kurlon Enterprise Limited.

The fully paid-up equity shares allotted to the eligible equity shareholders of Kurlon Enterprise Limited rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

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1.3 Further, in terms of the provisions of SEBI Master Circular, a report from Audit Committee is required to certify that proceeds from the sale of consolidated fractional entitlement are given to the eligible shareholders in proportion to their entitlements.

## 2. Treatment of Fractional entitlements

2.1 In terms of the provisions of the Scheme and SEBI Master Circular, the Fractional Shares were required to be sold in the open market within 90 days from the date of allotment and net proceeds out of the sale to be distributed to the respective eligible equity shareholders of Kurlon Enterprise Limited in proportion to their respective fractional entitlements. Accordingly, the Fractional Shares were allotted directly to 'Sheela Foam Limited Fractional Shares Trust 2025' and were sold in the open market at market price on April 22, 2026.

2.2 The distribution of sale proceeds (after deduction of the expenses incurred) has been completed on May 08, 2026 as under:

Date of Compensation	No. of Shares	Sale proceeds after expenses	Distribution of Sale Proceeds	Amount laying in the Account*
08.05.2026	575	3,23,837.90	3,07,348.00	16,489.90

\* The amount of ₹16,489.90 remains in the account due to the non-availability or incomplete bank details of certain eligible shareholders. In the event the amount is not claimed by the respective shareholders, it shall be transferred to the Investor Education and Protection Fund (IEPF) account or any other funds as specified in accordance with applicable laws and regulations.

## 3. Certification:

Based on the above, it is hereby certified that the Company has compensated the eligible equity shareholders by distributing the sale proceeds of the fractional entitlements in accordance with provisions of the Scheme and SEBI Master Circular.

**By Order of the Members of the Audit Committee  
For and on Behalf of Sheela Foam Limited**

  
**Mr. Som Mittal**  
Chairman  
DIN: 00074842

**Date: May 14, 2026**

**Place: Noida**

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THE REPORT OF INDEPENDENT DIRECTORS OF SHEELA FOAM LIMITED DATED MAY 14, 2026, CERTIFYING DISTRIBUTION OF PROCEEDS TO ELIGIBLE SHAREHOLDERS OF FRACTIONAL SHARES ("REPORT") PURSUANT TO THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BELVEDORE INTERNATIONAL LIMITED, KANVAS CONCEPTS PRIVATE LIMITED, KURLON RETAIL LIMITED, KOMFORT UNIVERSE PRODUCTS & SERVICES LIMITED, STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED, KURLON ENTERPRISE LIMITED, AND SHEELA FOAM LIMITED BY WAY OF CIRCULAR RESOLUTION ON MAY 14, 2026

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THE REPORT HAS BEEN APPROVED BY:

1. Som Mittal
2. Ravindra Dhariwal
3. Anil Tandon
4. Meena Jagtiani

This report of Independent Directors of Sheela Foam Limited is made in compliance with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("SEBI Master Circular") and as amended from time to time.

## 1. Background

**1.1** The Composite Scheme of Amalgamation involving Belvedere International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited, Starship Value Chain and Manufacturing Private Limited into Kurlon Enterprise Limited, and further into Sheela Foam Limited (the "Company") and their respective shareholders and creditors ("Scheme"), was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench on September 17, 2025.

**1.2** In terms of the Scheme, eligible equity shareholders of Kurlon Enterprise Limited as on the record date (i.e. January 30, 2026) were allotted equity shares of the Company on February 03, 2026 in the share exchange ratio of 52 fully paid-up equity share of Rs. 5 each of the Company for every 100 fully paid-up equity shares of Rs. 5 each of the Kurlon Enterprise Limited. Accordingly, the Company allotted 4,88,146 equity shares of Rs. 5 each to the eligible equity shareholders of Kurlon Enterprise Limited which includes the allotment of 575 equity shares of Rs. 5 each ("Fractional Shares"). The Board of Directors of the Company appointed '**Sheela Foam Limited Fractional Shares Trust 2025**' managed by Axis Trustee Limited ("Trustee") to hold Fractional Shares in trust on behalf of the eligible equity shareholders of Kurlon Enterprise Limited.

The fully paid-up equity shares allotted to the eligible equity shareholders of Kurlon Enterprise Limited rank pari-passu in all respects with the existing fully paid-up equity shares of the Company.

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## 2. Treatment of Fractional Entitlements

2.1 In terms of the provisions of the Scheme and SEBI Master Circular, the Fractional Shares were required to be sold in the open market within 90 days from the date of allotment and net proceeds out of the sale to be distributed to the respective eligible equity shareholders of Kurlon Enterprise Limited in proportion to their respective fractional entitlements. Accordingly, the Fractional Shares were allotted directly to 'Sheela Foam Limited Fractional Shares Trust 2025' and were sold in the open market at market price on April 22, 2026.

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## 3. Certification:

Based on the above, it is hereby certified that the Company has compensated the eligible equity shareholders by distributing the sale proceeds of the fractional entitlements in accordance with provisions of the Scheme and SEBI Master Circular.

**By Order of Independent Directors**  
**For and on Behalf of Sheela Foam Limited**

  
**Mr. Som Mittal**  
**(Independent Director & Authorised Signatory)**  
**DIN: 00074842**

**Date: 14.05.2026**

**Place: Noida**

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