

26th July 2019

To

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra(E), Mumbai-400051

Scrip Code: 540203

Symbol: SFL

Ref.: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

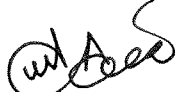
Dear Sir/Madam,

Pursuant to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the company in its Board meeting held on 26th July 2019 has approved to acquire Interplasp S.L., Spain.

The disclosures pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and part A of the Schedule III of the aforesaid regulation is attached as per Annexure A.

This is for your information and records.

Yours faithfully,
For Sheela Foam Limited



Thanking you,

Yours truly,
For Sheela Foam Limited

Md Iquebal Ahmad
Company Secretary & Compliance Officer

SHEELA FOAM LTD.

Annexure A

Disclosure under Regulation 30 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

a) Name of the target entity, details in brief such as size, turnover, etc.	<p><u>Name of the Target:</u> Interplasp, S.L., Spain</p> <p><u>Details of the Target</u> Interplasp S.L. is engaged in the manufacture and marketing of slabstock polyurethane foam for bedding, furniture and other applications in Spain and Portugal. Interplasp S.L. produces about 11,000 tons of Polyurethane foam annually and had a turnover of €31.6 million (Euro thirty one million six hundred thousand) in 2018</p>
b) Whether the acquisition would fall within related party transaction(s) and whether the promoter / promoter group / group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	No
c) Industry to which the entity being acquired belongs	Polyurethane Foam
d) Objects and effects of acquisition (including, but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>This acquisition would give Sheela Foam a presence in Europe, the world’s largest polyurethane foam market, and a huge potential opportunity to grow.</p> <p>Interplasp S.L. markets some of its foam to Morocco, in North Africa, and has also a significant opportunity to grow in Morocco and in some other North African markets.</p> <p>Provides an opportunity to negotiate raw material prices for the consolidated quantity and also access to raw material prices across three global regions of India, Australia and Europe.</p> <p>Benefit from cross fertilization of technologies and product portfolios in all three geographies.</p>
e) Brief details of any governmental or regulatory approvals required for the acquisition	NO

f) Indicative time period for the completion of the acquisition	On or before 30 th September 2019, subject to closing conditions.
g) Nature of consideration – whether cash consideration or share swap and details of the same	Cash transaction
h) Cost of acquisition or the price at which the shares are acquired	€42 million (Euro forty two million), subject to closing adjustments
i) Percentage of shareholding / control acquired and/or number of shares acquired	A 100% subsidiary of the Company is being established in Spain, which would acquire 93.67% shareholding of the Target. Three key managers of the Target would continue to hold the balance 6.33% of the shareholding, with the Company having the right of first refusal of these shares.
j) Brief background about the entity acquired in terms of products / line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Interplasp S.L. was established in 1987 and for the last 32 years has specialized in the manufacture and conversion of flexible polyurethane foams, supplying mainly to mattress and furniture manufacturers in Spain. It also markets its foam to mattress manufacturers in Portugal and foam converters in Morocco.</p> <p>The company is headquartered in Yecla, in south eastern Spain, with its single manufacturing facility in Yecla that has the capacity to produce 22,000 tons of Polyurethane foam.</p> <p><u>Turnover of last 3 years:</u> 2016 : € 15.9 million 2017 : € 24.1 million 2018 : € 31.6 million</p>