



May 14, 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

Subject: Report of the Monitoring Agency with respect to utilization of proceeds of the Preferential Issue for the quarter ended March 31, 2024

Dear Sir/Madam,

Pursuant to Regulation 173A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Regulation 32(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Monitoring Agency Report with respect to utilization of proceeds of the preferential Issue for the quarter ended on March 31, 2024, issued by Monitoring Agency i.e. CARE Ratings Limited.

Kindly place the same on your record.  
Thanking you,

Yours truly,  
For Sheela Foam Limited

Md. Iquebal Ahmad  
Company Secretary & Compliance Officer

**SHEELA FOAM LTD.**

#14, Sleepwell Tower , Sector 135, Noida- 201301  
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Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76  
Toll Free: 1800 103 6664 • [www.sleepwellproducts.com](http://www.sleepwellproducts.com) • [www.sheelafoam.com](http://www.sheelafoam.com)  
CIN-L74899DL1971PLC005679

**CARE/NRO/RL/2024-25/1147**  
**Mr. Davinder Kumar Ahuja,**  
**Group financial controller**  
**Sheela Foam Limited,**  
**Sleepwell Tower**  
**#14 Sector 135, Noida,**  
**Uttar Pradesh - 201301 (India)**

**May 14, 2024**

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Qualified Institution Placement of Sheela Foam Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs.1199.99 crore of the Company and refer to our duties cast under 173(A) of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 20, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

*Akhil Kumar*

Akhil Kumar  
Associate Director  
[Akhil.Kumar@careedge.in](mailto:Akhil.Kumar@careedge.in)

CARE Ratings Limited

Plot no. C-001 A/2 Sector 16B, Berger Tower.  
Noida, Gautam Budh Nagar (UP) - 201301,  
Gautam Budh Nagar (UP) - 201301

CIN-L67190MH1993PLC071691

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**Report of the Monitoring Agency (MA)**

Name of the issuer: Sheela Foam Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not applicable

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

*Akhil Kumar*

Signature:

Name of the Authorized Signatory: Akhil Kumar

Designation of Authorized person/Signing Authority: Associate Director

**1) Issuer Details:**

Name of the issuer : Sheela Foam Limited  
 Name of the promoters : Mr. Tushaar Gautam, Mr. Rahul Gautam and Rangoli Rssort Private Limited  
 Industry/sector to which it belongs : Foam Based Home products

**2) Issue Details**

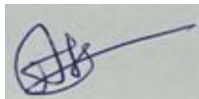
Issue Period : 365 days from date of passing of special resolution of shareholders of company which is September 01,2023  
 Type of issue : Qualified Institution placement of equity shares  
 Type of specified securities : Equity shares  
 IPO Grading, if any : Not applicable  
 Issue size (in ` crore) : Rs.1199.99 crore (Note 1)\*

\* The offer comprises of 1,11,31,725 number of equity shares of face value of Rs 5 at an issue price of Rs.1078 per equity share as determined on the relevant date in accordance with the provisions of Chapter V of the SEBI ICDR Regulations aggregating to Rs.11,99,99,99,550 for cash consideration by way of allotment to Specified investors/Identified investors.

Note 1:

Particulars	Remarks
Total equity shares issued	1,11,31,725
Equity issue price (Rs. per share)	1078.00
Total proceeds received from equity shares issued (in Rs. Crore)	1199.99
Net proceeds available for utilization (in Rs. Crore)	1185.69#

#Out of total proceeds received in quarter ended September 2023, utilization is being monitored excluding issue related actual expenses of Rs.14.30 crore.



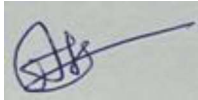
**3) Details of the arrangement made to ensure the monitoring of issue proceeds:**

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statement	Nil for the quarter under review	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No material deviation	Chartered Accountant certificate*, Bank statement	Not applicable	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable	Not applicable	Not applicable	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	No	Not Applicable	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	No	No	Not Applicable	Nil

\* Chartered Accountant certificate from S.P. Chopra & Co. dated May 08,2024

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.



**4) Details of objects to be monitored:**

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Part-funding the proposed acquisition of equity shares of Kurlon Enterprise Limited	Chartered Accountant certificate*, Bank statements, Board Resolution copy, Placement document	950.00	Not applicable	Not applicable	NA	NA	NA
2	General Corporate Purpose#	Chartered Accountant certificate*, Bank statements, Board Resolution copy, Placement document	235.69	Not applicable	Not applicable	NA	NA	NA
<b>Total</b>			<b>1185.69</b>					

\* Chartered Accountant certificate from S.P. Chopra & Co. dated May 08,2024

# As per the Placement document dated 25 September 2023, general corporate purpose also includes acquisition of equity shares of Kurlon enterprise Limited. To the extent of lower issue related expenses, amount is transferred to general corporate purpose.



(ii) Progress in objects:-

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount raised in Rs. Crore	Amount utilised in Rs. Crore			Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore		Reasons for idle funds	Proposed course of action
1	Part-funding the proposed acquisition of equity shares of Kurlon enterprise Limited	Chartered Accountant certificate*, Bank statements, Board Resolution copy, Placement document	950.00	1185.69	950.00	0.00	950.00	Nil	Nil	Nil
2	General Corporate Purpose#	Chartered Accountant certificate*, Bank statements, Board Resolution copy, Placement document	235.69		234.38	1.31	235.69	Nil	Nil	Nil
<b>Total</b>			<b>1185.69</b>	<b>1185.69</b>	<b>1184.38</b>	<b>1.31</b>	<b>1185.69</b>			<b>0.00</b>

\*Chartered Accountant certificates from S.P. Chopra & Co. dated May 08,2024

#As per the placement document dated 25th September 2023, general corporate purpose can also include acquisition of equity shares of Kurlon enterprise Limited. As against expectation of Rs.20.21 crore for issue related expenses, company incurred Rs.14.30 crore of issue expenses and accordingly, balance amount of Rs.5.91 crore is transferred to general corporate purpose. During Q4FY24, we are unable to directly ascertain usage of Rs 1.31 Crs as acquisition was already completed in October 2023 from multiple sources such as QIP, internal accruals and NCD's. Unutilised amount of Rs. 1.31 Crs debited from escrow account in Q4FY24 and credited to Monitoring account on the same day. Further, Rs. 1.31 crore is also debited from Monitoring Agency Account and credited to current account of the company on the same day. There are numerous other debits and credits in the said current account, and we are not directly able to ascertain utilisation of funds. The company has informed to us that the funds amounted to Rs. 1.31 crore have been used for the defined object i.e. General Corporate Purpose and has given specific supporting documents including Chartered Accountant certificate for the same.



(iii) Deployment of un-utilized proceeds:

Sr. No.	Name of the Mutual Fund/Bank account	Type of account	Amount in Rs. crore	Source of information / certifications considered by Monitoring Agency for preparation of report
1	Not applicable	Not applicable	Not applicable	Not applicable

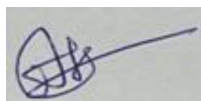
(iv) Delay in implementation of the object(s): Not applicable

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	General corporate Purpose	1.31	Chartered Accountant certificate*, Bank statements, Board Resolution copy, Placement document	As per earlier envisaged amount of Rs.229.78 crore for general corporate purpose, company has utilised Rs.235.69, crore for acquisition purpose#	Nil
	<b>Total</b>				

\* Chartered Accountant certificate from S.P. Chopra & Co. dated May 08,2024

# As per the placement document dated 25<sup>th</sup> September 2023, general corporate purpose also includes acquisition of equity shares of Kurlon enterprise Limited.





**Disclaimers to MA report:**

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

