



Date- 02nd August 2023

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

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of Notice of Postal ballot/ e-voting ('Notice') dated August 02, 2023 being sent to the members.

The Notice seeks the approval of members of the Company by way of Special Resolutions through Postal Ballot (only through e-voting) for the following matters:

- A) To amend article 12 of the Articles of Association of the Company and to add article 37A to the Articles of Association of the Company;
- B) To consider and approve raising of funds through issuance of equity shares of the company by way of Qualified Institutions Placement ("QIP").

Pursuant to the provisions of Section 110 read with section 108 and all other applicable provisions, if any, of the Act, read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("Rules"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 3/2022 dated 5th May, 2022 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, Government of India ('MCA Circulars'), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and any other applicable law, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Notice is being sent only by email to all its members who have registered their email addresses with the Company or depository(ies) / depository participants and whose names are recorded in the Register of Members/ Beneficial owners of the Company as on the Cut-off date i.e. July 28, 2023 ('Cut-off date').

The Board of Directors on August 02, 2023, has appointed Mr. Amitabh, Partner, AVA Associates, Company Secretaries, as the Scrutinizer for conducting the E-Voting/Postal Ballot process in a fair and transparent manner.

The Company has engaged the services of Link Intime India Private Limited ("LI IPL") to provide e-voting facility to its members. The e-voting shall commence on Thursday

SHEELA FOAM LTD.

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

Ph: Int-91(0)-120-4162200 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: contactus@sheelafoam.com
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-22026875-76

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

CIN-L74899DL1971PLC005679



03rd August, 2023, 10:00 AM to Friday 01st September 2023, 05:00 PM. (IST). The e-voting facility shall be disabled by “LIPL” thereafter.

The Notice shall also be made available on the website of the Company i.e. (<https://sheelafoam.com/>).

This is for your information and record.

Thanking you,

For Sheela Foam Limited

Company Secretary & Compliance Officer

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Sheela Foam Limited
(CIN : L74899DL 1971PLC005679)
Registered Office : 604, Ashadeep, 9 Hailey Road, New Delhi 110001
Email :investorrelation@sheelafoam.com
Phone : + 91 11 2202 6875

Notice of Postal Ballot/Electronic Voting (E-Voting) to the Shareholders
(Notice issued to members pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

Notice is hereby given that pursuant to Section 110 read with Section 108 and other applicable provisions of the Companies Act, 2013, (the Act) if any, read together with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India and subject to other applicable laws, rules and regulations, if any, including any statutory modification or re-enactment thereof for the time being in force, that the Resolution set out below are proposed to be passed **only by way of remote E-Voting (“Postal Ballot”)** as matters of special business. An Explanatory Statement pertaining to the said Resolutions setting out the material facts concerning each item and the reasons thereof is annexed to the Notice.

The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circulars No.14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 8, 2021, No. 3/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 (“MCA Circulars”), the resolutions set out below are proposed to be passed by means of Postal Ballot.

As per the MCA Circulars, the Company is sending Postal Ballot Notice (the “Notice”) **only by email** to all its members who have registered their email addresses with the Company or depository(ies) / depository participants. This Notice is accordingly being issued to the members in compliance with the MCA Circulars.

The Board of Directors on 2nd August 2023 has appointed Mr. Amitabh, Partner, AVA Associates, Company Secretaries, as the Scrutinizer for conducting the E-Voting/Postal Ballot process in a fair and transparent manner.

Detailed explanatory statement setting out the material facts concerning the resolution and instructions for e-voting are annexed to the Notice.

SPECIAL BUSINESS:

ITEM NO. 1

SPECIAL BUSINESS

**TO AMEND ARTICLE 12 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY
AND TO ADD ARTICLE 37A TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

To consider, and if thought fit, to pass the following resolution(s) as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions of the Companies Act, 2013, as amended (“**Companies Act**”), read with the Companies (Incorporation) Rules 2014, the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, each as amended from time to time and other applicable laws, consent of the members be and is hereby accorded to (a) amend the existing Article 12 of the Articles of Association of the Company with the revised Article 12 as set forth below; and (b) add Article 37 A to the Articles of Association of the Company, as set forth below:

“12. Further issue of capital

Subject to the provisions of the Act and these Articles:

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such shares shall be offered:
 - (i) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—
 - (A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than seven days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - (B) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right;
 - (C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;

- (ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or
 - (iii) to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, subject to compliance with conditions as may be prescribed under Chapters III and IV of the Act and other applicable laws, if a special resolution is passed to this effect by the Company in a general meeting.
- (b) Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.”

“37A. If at any time the Company issues debentures, bonds or such other instruments under a debenture trust deed, the debenture trustee shall have the right to nominate a person to be appointed to the Board of Directors as a nominee Director, in the event of (i) two consecutive defaults in payment of interest to the debenture holders; or (ii) default in creation of security, if required for debentures; or (iii) default in redemption of debentures. The Board of Directors shall, on receipt of the nomination from the debenture trustee, appoint the nominee to the Board of Directors, provided such nomination by debenture trustee is made in accordance with the applicable laws, applicable regulations or listing requirements and pursuant to the provisions of the debenture trust deed entered with the Company.

Notwithstanding anything contained in these Articles, the nominee Director shall neither be liable to retire by rotation nor shall be required to hold any qualification shares.

The debenture trustee shall have the right to remove from office any nominee Director so appointed and to appoint another in his/her place or in the place of a Director so appointed who resigns or otherwise vacates his/her office, in accordance with the provisions of the Companies Act 2013, applicable law, regulatory or listing requirements and the terms and conditions of the debenture trust deed entered into with the Company.”

ITEM NO. 2

SPECIAL BUSINESS

TO CONSIDER AND APPROVE RAISING OF FUNDS THROUGH ISSUANCE OF EQUITY SHARES OF THE COMPANY BY WAY OF A QUALIFIED INSTITUTIONS PLACEMENT (“QIP”)

To consider, and if thought fit, to pass the following resolution(s) as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to and in accordance with the applicable provisions of Sections 23, 42, 62, and other applicable provisions of the Companies Act, 2013, as amended, (the “**Companies Act**”) and the rules framed thereunder, including the Companies (Prospectus and Allotment of

Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s) thereto or re-enactment(s) thereof for the time being in force, all other applicable laws, rules and regulations, the Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, each as amended from time to time (collectively, “**FEMA**”), the relevant provisions of the memorandum and articles of association of the Company, applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the listing agreements entered into by the Company with the BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”) where the equity shares of the Company of face value of ₹5 each (“**Equity Shares**”) are listed and such other statutes, clarifications, rules, regulations, circulars, notifications, guidelines, if any, as may be applicable, as amended from time to time issued by the Government of India (“**Government of India**”), the Ministry of Corporate Affairs (“**MCA**”), the Reserve Bank of India (“**RBI**”), BSE, NSE, Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi (“**RoC**”), the Securities and Exchange Board of India (“**SEBI**”) and any other appropriate governmental or regulatory authority and subject to all other approval(s), consent(s), permission(s) and / or sanction(s) as may be required from various regulatory and statutory authorities, including the Government of India, the RBI, SEBI, MCA, RoC and the Stock Exchanges (hereinafter referred to as “**Appropriate Authorities**”), and subject to such terms, conditions and modifications as may be prescribed by any of the Appropriate Authorities while granting such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include any duly constituted committee thereof for the time being exercising the powers conferred by the Board), the consent and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot such number of Equity Shares for cash, at such price or prices as the Board may deem fit, including a discount of up to 5 (five) per cent on the floor price calculated as per Regulation 176 of SEBI ICDR Regulations, such that the total amount to be raised through the issue of Equity Shares shall not exceed ₹ 12,000 million (Rupees Twelve Thousand million), inclusive of such premium as maybe fixed on the Equity Shares, to be subscribed to by qualified institutional buyers as defined in the SEBI ICDR Regulations as may be deemed appropriate by the Board in its absolute discretion in consultation with the lead managers and whether or not such investors are members of the Company (collectively called “**Investors**”), by way of private placement through one or more qualified institutions placement (“**QIP**”) in accordance with Chapter VI of the SEBI ICDR Regulations, by way of one or more issuances of Equity Shares with or without premium, through placement documents, private placement offer cum application letters and/or such other documents/writings/circulars/ memoranda, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, and on such terms and conditions as the Board may determine in consultation with the book running lead manager(s) to be appointed for the QIP (“**Lead Manager(s)**”), including, without limitation, the total number of Equity Shares to be issued, fixing terms if any.

RESOLVED FURTHER THAT the issue and allotment of Equity Shares by way of QIP(s) in terms of Chapter VI of the SEBI ICDR Regulations shall be subject to the following:

1. the allotment of Equity Shares shall only be to successful eligible qualified institutional buyers as defined in the SEBI ICDR Regulations;

2. the Equity Shares to be so created, offered, issued and allotted, shall be subject to the provisions of the memorandum and articles of association of the Company;
3. the allotment of the Equity Shares shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
4. the Equity Shares shall only be allotted as fully paid up Equity Shares;
5. Equity Shares issued through the QIP shall rank *pari passu* in all respects with the existing Equity Shares of the Company, in all respects including with respect to entitlement to dividend;
6. the “*relevant date*” for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed QIP;
7. no single allottee shall be allotted more than 50% of the size of a QIP and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;
8. the QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided in Chapter VI of the SEBI ICDR Regulations (the “**QIP Floor Price**”), provided that the Board may, in consultation with the Lead Managers, offer a discount of not more than 5% (five percent) on the QIP Floor Price or such other discount as may be permitted under SEBI ICDR Regulations to the QIP Floor Price;
9. the Equity Shares allotted in the QIP shall not be eligible for sale by the respective allottees, for a period of one year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and
10. the Company shall not undertake any subsequent qualified institutions placement until the expiry of two weeks or such other time as may be prescribed in the SEBI ICDR Regulations, from the date of the QIP.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, or a duly authorized committee (“**QIP Committee**”), in consultation with the Lead Manager(s), advisors, industry consultants, chartered engineers, independent chartered accountants and/or other intermediaries as may be appointed in relation to the issue of Equity Shares, be and is authorized to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Equity Shares through the QIP and listing thereof with the Stock Exchanges or otherwise as may be required in relation to the QIP and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of the Equity Shares, including finalization of the number of Equity Shares to be issued in each tranche thereof, form, terms and timing of the issue of Equity Shares including for each tranche of such issue of Equity Shares, identification of the eligible QIBs to whom Equity Shares are to be offered, utilization of the proceeds of the QIP, date of opening and closing of the QIP, to enter into and execute (and amend from time to time, as may be deemed appropriate by the Board in its sole discretion (subject to

the conditions set forth in the resolutions herein)), all such arrangements/ agreements with any Lead Managers, placement agents, managers, underwriters, lawyers, chartered engineers, independent chartered accountants, monitoring agencies, advisors, guarantors, depositories, custodians, registrars and all such agencies and intermediaries as may be involved or concerned in the QIP, including any amendments or supplements thereto, as necessary or appropriate and to remunerate all such agencies including by way of payment of commissions, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them, approval of any special purpose financial statements to be included in the preliminary placement documents and final placement documents for the QIP and to finalize, approve and issue any document(s) or agreements including, but not limited, to placement documents, and filing such documents (in draft or final form) with any Appropriate Authorities, to submit relevant application to the Stock Exchange(s) for obtaining in-principle approval for the QIP or listing of the Equity Shares, filing of requisite documents/making declarations with the RBI, SEBI, RoC and any other Appropriate Authorities, and any other deed(s), document(s), declaration(s) as may be required under the applicable laws, signing all deeds, documents and writings, settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the Equity Shares and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Equity Shares and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board or the QIP Committee and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board or the QIP Committee in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Equity Shares .

By Order of the Board

Date:02.08.2023

Place: Noida

Md Iquebal Ahmad
Company Secretary and Compliance Officer

Notes:

- (I) An Explanatory Statement pursuant to Sections 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
- (II) As per Section 108, 110 and other applicable provisions of the Act read with Rule 20 & 22 of the Rules, cut-off date for the purpose of reckoning the voting rights and sending the Notice is Friday 28th July, 2023 (“Cut-off date”). A person who is not a member as on the Cut-off date should treat the Notice for information purpose only.
- (III) In accordance with the MCA Circulars, the Notice along with the instructions regarding e-voting is being sent only by email to all those members, whose email addresses are registered with the Company or with the depository(ies) / depository participants and whose names appear in the register of members / list of beneficial owners as on the Cut-off date.
- (IV) The e-voting shall commence on Thursday 3rd August, 2023 at 10.00 A.M. (IST) and end on Friday, 1st September, 2023 at 5.00 P.M. (IST). The e-voting module shall be disabled by Instavote platform of Link Intime India Private Limited (LI IPL) for voting thereafter. During this period, the members of the Company (including those members who may not have received the Notice due to non-registration of their email address with the Company or the Depositories) holding shares in physical form or dematerialized form as on the Cut-off date, may cast their vote by electronic means in the manner as set out here in Note No. (VI) below. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently.
- (V) The Notice shall also be uploaded on the website of the Company (<https://sheelafoam.com>), on the website of LI IPL, the Company’s Registrar and Transfer Agent at <https://instavote.linkintime.co.in> and on the websites of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

(VI) Remote e-Voting Instructions for shareholders:

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL

Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting"

under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to “InstaVote” website for casting your vote during the remote e-Voting period.

If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL

Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

*Shareholders holding shares in NSDL form, shall provide ‘D’ above

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).

Click on ‘Login’ under ‘SHARE HOLDER’ tab.

Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.

Cast your vote electronically:

After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon. E-voting page will appear.

Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).

After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a

scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type Helpdesk details

Individual Shareholders holding securities in demat mode with NSDL Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000

Individual Shareholders holding securities in demat mode with CDSL Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

InstaVote Support Desk
Link Intime India Private Limited

Explanatory statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013(“the Act”)

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all the material facts relating to the business mentioned.

Item No. 1

The Company listed its Equity Shares on BSE Limited and the National Stock Exchange of India Limited on December 9, 2016, which has enabled the shareholders to have a formal market-place for dealing in such Equity Shares and given the Company further avenues for raising funds from the capital markets. In order to fund its various business needs, the Company may, from time to time, undertake further issuance of its securities, including on a private-placement basis through preferential issues or qualified institutions placements. Pursuant to the second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended (“**Companies SCD Rules**”) the price at which a preferential issue of shares is made by a listed company is not required to be determined by a registered valuer. Further, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, dated January 14, 2022, SEBI has amended the provisions pertaining to the pricing of shares in case of a preferential issue and added provisos which provide that if the Articles of Association of the issuer provide for a method of determination of price which results in a floor price higher than that determined under the regulations, then such higher price shall be considered as the floor price for equity shares to be offered, issued and allotted pursuant to a preferential issue. Additionally, in case of a qualified institutions placement as well, Regulation 176 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended lays out the pricing mechanism and such pricing of the qualified institutions placement cannot be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date.

To align the provisions of Article 12 of the Articles of Association of the Company with Rule 13 of the Companies SCD Rules, and given that SEBI prescribes the mechanism of pricing in case of private-placements such as preferential allotments and qualified institutions placements in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, it is proposed to amend the Articles of Association of the Company as set forth below to conform with the pricing mechanisms prescribed by SEBI under

the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Existing Article 12	Proposed Article 12
<p data-bbox="204 416 560 450"><i>12. Further issue of capital</i></p> <p data-bbox="204 490 791 560">Subject to the provisions of the Act and these Articles:</p> <p data-bbox="204 600 791 815">(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such shares shall be offered:</p> <p data-bbox="229 855 791 1111">(i) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:</p> <p data-bbox="255 1151 791 1440">(A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p data-bbox="255 1480 791 1769">(B) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right;</p> <p data-bbox="255 1809 791 2024">(C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in</p>	<p data-bbox="813 416 1169 450"><i>12. Further issue of capital</i></p> <p data-bbox="813 490 1390 560">Subject to the provisions of the Act and these Articles:</p> <p data-bbox="813 600 1390 815">(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of the increased share capital, such shares shall be offered:</p> <p data-bbox="813 855 1390 1111">(i) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—</p> <p data-bbox="855 1151 1390 1440">(A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than seven days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p data-bbox="855 1480 1390 1769">(B) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Article 12(a)(i)(A) shall contain a statement of this right;</p> <p data-bbox="855 1809 1390 2024">(C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in</p>

Existing Article 12	Proposed Article 12
<p>such manner which is not disadvantageous to the shareholders and the Company;</p> <p>(ii) to employees under a scheme of employees’ stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or</p> <p>(iii) to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act.</p> <p>(b) Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.</p>	<p>such manner which is not disadvantageous to the shareholders and the Company;</p> <p>(ii) to employees under a scheme of employees’ stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act; or</p> <p>(iii) to any persons whether or not those persons include the persons referred to in Article 12(a)(i) or (ii) above, either for cash or for a consideration other than cash, subject to compliance with conditions as may be prescribed under Chapters III and IV of the Act and other applicable laws, if a special resolution is passed to this effect by the Company in a general meeting.</p> <p>(b) Nothing in Article 12(a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.</p>

The Company also seeks to insert provisions with respect to the appointment of nominee director in compliance with Regulation 23(6) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Chapter XXIII (Nominee Directors) of SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper. This will be added as Article 37A as reproduced below:

“37A. If at any time the Company issues debentures, bonds or such other instruments under a debenture trust deed, the debenture trustee shall have the right to nominate a person to be appointed to the Board of Directors as a nominee Director, in the event of (i) two consecutive

defaults in payment of interest to the debenture holders; or (ii) default in creation of security, if required for debentures; or (iii) default in redemption of debentures. The Board of Directors shall, on receipt of the nomination from the debenture trustee, appoint the nominee to the Board of Directors, provided such nomination by debenture trustee is made in accordance with the applicable laws, applicable regulations or listing requirements and pursuant to the provisions of the debenture trust deed entered with the Company.

Notwithstanding anything contained in these Articles, the nominee Director shall neither be liable to retire by rotation nor shall be required to hold any qualification shares.

The debenture trustee shall have the right to remove from office any nominee Director so appointed and to appoint another in his/her place or in the place of a Director so appointed who resigns or otherwise vacates his/her office, in accordance with the provisions of the Companies Act 2013, applicable law, regulatory or listing requirements and the terms and conditions of the debenture trust deed entered into with the Company.”

Pursuant to the provisions of Section 14 of the Companies Act, as applicable, any amendment in the Article of Association requires approval of the members of the Company by way of a special resolution.

The Board of Directors recommend the Special Resolution as set out in item No. 1 of the accompanying Notice for approval of the Members of the Company.

None of the directors, key managerial personnel or senior managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in this resolution.

Item No. 2

The Company proposes to raise funds through the issue of capital for funding growth opportunities in its business through organic and inorganic growth, part-funding the proposed acquisition of equity shares of Kurlon Enterprise Limited, investment in subsidiaries, repayment and /or prepayment of outstanding loans of the Company and/ or its Subsidiaries, working capital requirement of the Company and/ or its Subsidiaries and general corporate purposes. Not more than 25% of the gross proceeds of the QIP shall be utilised towards general corporate purposes in such a manner as may be decided by the Board or a duly constituted committee from time to time, including the QIP Committee. Please specifically see details of the proposed use of proceeds as set out in “**Objects of the QIP**” below.

Proposed QIP

In line with the above, the Company proposes to raise funds through the issuance of equity shares of face value of ₹ 5/- each of the Company (“**Equity Shares**”) for an aggregate consideration of up to ₹ 12,000 million only (Rupees Twelve Thousand Million Only) to qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”)), whether they are holders or not, for cash, in one or more tranches by way of private placement being one or more qualified institutions placements (“**QIP**”), in terms of (a) the SEBI ICDR Regulations; (b) applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-

enactment(s) thereof (“**Companies Act**”); and (c) other applicable law. Accordingly, the Board, at its meeting held on August 2 2023, subject to the approval of the members of the Company, approved the issuance of Equity Shares at such price and on such terms and conditions as may be deemed appropriate by the Board or the QIP Committee, in consultation with the Lead Manager(s) and other advisor(s) appointed in relation to the proposed QIP, taking into consideration market conditions and other relevant factors and wherever necessary, in accordance with applicable laws, and subject to regulatory approvals (as necessary). The securities allotted will be listed and traded on stock exchange(s) where equity shares of the company are currently listed, subject to obtaining necessary approvals. The offer, issue, allotment of the Equity Shares, shall be subject to obtaining of regulatory approvals, if any by the Company.

Pursuant to Sections 23, 42 and 62 of the Companies Act, 2013, as amended read with applicable rules notified thereunder, including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended and the SEBI ICDR Regulations, a company offering or making an invitation to subscribe Equity Shares is required to obtain prior approval of the shareholders by way of a special resolution.

In terms of Section 62(1)(c) of the Companies Act, 2013, shares may be issued to persons who are not the existing shareholders of a company, if the Company is authorised by a special resolution passed by its members. Therefore, consent of the members is being sought for passing the special resolution, pursuant to applicable provisions of the Companies Act and other applicable law. The Equity Shares offered, issued, and allotted by the Company pursuant to the QIP in terms of the resolution would be subject to the provisions of the memorandum of association and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted by the Company shall rank, in all respects, *pari-passu* with the existing Equity Shares of the Company.

Pricing and basis or justification of pricing

The pricing of the Equity Shares shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act, and any other applicable law. The resolution enables the Board or its duly constituted committee, in accordance with applicable law and in consultation with the Lead Managers/ placement agents/ underwriters or any such other intermediary, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the floor price determined in accordance with the SEBI ICDR Regulations.

The ‘relevant date’ for the purpose of the pricing of the Equity Shares to be issued and allotted in the proposed QIP shall be decided in accordance with the applicable provisions of the SEBI ICDR Regulations, which shall be the date of the meeting in which the Board/ its duly constituted committee decides to open the QIP.

Objects of the QIP

The proceeds from the QIP (net of issue expenses) (“**Net Proceeds**”) shall be used for funding growth opportunities in its business through organic and inorganic growth, part-funding the proposed acquisition of equity shares of Kurlon Enterprise Limited, investment in subsidiaries, repayment and /or prepayment of outstanding loans of the Company and/ or its Subsidiaries, working capital requirement of the Company and/ or its Subsidiaries and general corporate purposes. Not more than 25% of the gross proceeds of the QIP shall be utilised towards general

corporate purposes in such a manner as may be decided by the Board or a duly constituted committee from time to time, including the QIP Committee.

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for inorganic expansion and growth. Towards this, the Company continues to require capital for achieving such growth and expansion. In this regard, as intimated by the Company to the Stock Exchanges on July 17, 2023, the Board has, in its meeting dated July 17, 2023, approved the acquisition of 94.66% of the equity share capital of Kurlon Enterprise Limited (“**Kurlon**” and such acquisition, the “**Kurlon Acquisition**”) at an equity valuation of ₹ 21,500 million, subject to customary adjustments for net working capital, debt and surplus cash, if any. Kurlon is engaged in the business of manufacturing and marketing of foam-based and rubberized coir-based home comfort products across the “Sit and Sleep” solution categories like mattress, furniture cushions, pillows and coverings. The Company may utilise a portion from the Net Proceeds to partially fund the payment of the consideration for the Kurlon Acquisition, whereby the balance amounts may be paid from debt funding, internal accruals, or a combination thereof.

The completion of the Kurlon Acquisition remains subject to fulfilment of certain conditions precedent to be fulfilled by November 30, 2023 (“**Long Stop Date**”), and such date is mutually extendable. In the event that the Company proposes to utilise a portion from the Net Proceeds to partially fund the payment of the consideration for the Kurlon Acquisition and if the said acquisition is not completed for any reasons, such Net Proceeds from the QIP shall be deployed by the Board, at its sole discretion in such a manner as it may decide based on its funding requirements at the relevant point of time, including for funding its organic growth, funding opportunities in its business through inorganic growth, investment in subsidiaries, repayment and /or prepayment of outstanding loans of the Company and/or its Subsidiaries, working capital requirement of the Company and/or its Subsidiaries and general corporate purposes, without requiring any further approvals from the members.

The aforementioned objects are based on management estimates, and other commercial and technical factors and accordingly, are dependent on a variety of factors such as conditions to be fulfilled to consummate the acquisition, timing for completion for the acquisition, timing of completion of the QIP, financial, market and sectoral conditions, business performance and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of the Company. In light of this, the Board or a duly constituted committee shall decide the specific objects towards which the Net Proceeds are deployed. Further, pending utilization of the proceeds from the QIP, the Company shall invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or in short-term debt or long-term debt.

As and when the Board does take a decision on matters on which it has discretion (subject to the compliance with the conditions set forth herein), necessary disclosures will be made to the stock exchanges as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. As required under SEBI ICDR Regulations and other applicable laws, the Company will be appointing a monitoring agency to monitor the use of Proceeds by the Company till hundred percent of such Proceeds have been utilised.

Other material terms

The resolution proposed is an enabling resolution and the exact price, final list of objects,

estimated utilisation of the Net Proceeds, proportion and timing of the issue of the Equity Shares in one or more tranches and the remaining detailed terms and conditions for the QIP will be decided by the Board or its duly constituted committee, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager and / or other advisor(s) appointed in relation to the QIP and such other authorities and agencies as may be required to be consulted by the Company.

Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them at this point of time. Hence, the details of the proposed allottees, percentage of their post – QIP shareholding and the shareholding pattern of the Company are not provided. The proposal, therefore, seeks to confer upon the Board or its duly constituted committee the absolute discretion and adequate flexibility to determine the terms of the QIP, including but not limited to the identification of the proposed investors in the QIP and quantum of Equity Shares to be issued and allotted to each such investor, in accordance with the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Companies Act, 2013, the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended, and other applicable law.

The approval of the members is being sought to enable the Board or its duly constituted committee, to decide on the issuance of Equity Shares, to the extent and in the manner stated in the special resolution, as set out in item no. 1 of this notice, without the need for any fresh approval from the members of the Company in this regard.

If approved by shareholders, allotment of Equity Shares pursuant to the QIP shall be completed within 365 days from the date of passing of such special resolution. Equity Shares, proposed to be issued, shall in all respects, rank pari passu with the existing Equity Shares of the Company.

None of the directors, key managerial personnel or senior managerial personnel of the Company, or their respective relatives, is concerned or interested, financially or otherwise, except their shareholding, if any, in the Company, in this resolution.

The proposed QIP is in the interest of the Company and the Board recommends the resolution set out at item no. 1 of the notice for the approval of the members as a special resolution.

By Order of the Board

Date: 2nd August 2023

Place: Noida

Md Iquebal Ahmad
Company Secretary and Compliance Officer