

ENSURING A HEALTHY FUTURE

ANNUAL REPORT 2019-20



जातस्य हि ध्रुवो मृत्युर्ध्रुवं जन्म मृतस्य च ।
तस्मादपरिहार्येऽर्थे न त्वं शोचितुमर्हसि ॥

Smt. Sheela Gautam - A Tribute

November 15, 1931 - June 08, 2019

Smt. Sheela Gautam, Chairperson Emeritus, was the founder of the Sheela Group. She was also a member of the Lok Sabha four times from 1991 onwards. Undoubtedly, memories of Smt. Sheela Gautam will be cherished for ever with respect and reverence for the leadership and guidance she provided, especially in the formative years of the Sheela Group. She leaves behind a rich legacy, which will continue to inspire us all in the years ahead.

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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



To read this report online or to download, please visit us at <http://sheelafoam.com/annual-report.html>

Ensuring a Healthy Future

At Sheela Foam Limited, we have achieved the perfect blend of comfort technology with a scientific health-booster, helping consumers experience life and meet its challenges with vigour.

The shape of the future intrigues us and motivates us every day. There are so many factors that influence our future; and the most important factor is our health. A hard day's work has to be followed by a good night's rest. Even at sedentary work, or when moving towards a destination, we need the kind of innovation that gives our body comfort and leaves our mind free to soar. Without those restful minutes and hours, we cannot find the reserves of strength needed to meet the endless challenges of the future, near and distant.

At Sheela Foam Limited, we have perfected the technology for rest, for support, for sound sleep. Our flagship brand **Sleepwell** is one of the best-known mattress brands in India and has established itself in major overseas markets, too. To this, we have added the ground-breaking technology **Neem Fresche**, an innovation that helps mattresses and other home furnishing items ensure a healthy future for its user. Gentle on the environment and protective of the human body, Neem Fresche enhances the resting experience and retains its efficacy for many years despite all the cleaning cycles.

Our innovations are designed to provide utmost comfort and health benefits, drastically lowering the risk of ailments, leaving one feeling fitter, fresher.

Sheela Foam Limited has a strong presence in India, Australia and Spain. Sleepwell, the flagship brand of the Company, is renowned for its innovative approach to designing comfort and for contributing to the one essential thing of life: good health.



Evolving, Energising, and Envisioning a Healthy Future

Our success is built upon the kind of innovation that appeals to the new-age consumer. For them, investment in the best comfort products is the equivalent of investment in their own health.

Sheela Foam Limited is the top player in the mattress and foam products industry in India, and its best-known brand **Sleepwell** has been fortified by the revolutionary health-boosting technology **Neem Fresche**. This unique, treatment technology for all our mattresses and home furnishings is helping us consolidate our leadership in this space, because the new-age consumers place a large premium on innovation-driven products.

Building upon five decades of experience; a vast portfolio that spans home, institutional, and technical foam products; world-class manufacturing capabilities; presence across India and the wider Asia; footprints in Europe, Africa, and the Americas; and a well-established group subsidiary in Australia and Spain, we are perfectly positioned to capture the imagination of consumers for whom the science that goes into a product is as important, or more,

than its utility and price point. Professionally managed by a highly qualified team, we are the first mattress and home comfort products company in India to be listed on the stock exchanges.

Our market-leading research and development, encapsulated in the promise of long-lasting benefit to the end user, reinforces brand awareness among consumers looking for real value. A shift in buyer preferences from unbranded to branded goods, and the rising social awareness on the need for investing in high quality comfort products have been to our advantage. We have been the key beneficiary of this trend, as our extensive sales and distribution network means that we are always close to the consumer - evolving, energising, and envisioning a healthy future together.

Overview



- Sheela Foam Limited was incorporated in 1971
- This is the flagship company of the ₹ 2,174 crore Sheela Group
- The group companies include Sheela Foam Limited, 100% subsidiary Joyce Foam, Australia and subsidiary in Spain
- Sleepwell is the flagship brand of the group
- Sheela Foam Limited is an ISO 9001 certified company

Vision and Mission



- We will continue the legacy of being recognised as a leader in premium comfort products
- We will always reinforce our core values of integrity, reliability, pro-activity and transparency
- Every customer will be served with a smile
- We will remain committed to society

Winning Honours



Award/Accolades	Organisation/Institute
IOT Innovation Award	Express Computer
Great Place to Work	Great Place to Work Institute, India (Dec 2019-Nov 2020)
National Awards for Manufacturing Competitiveness	International Research Institute for Manufacturing
RK Bajaj Performance Excellence Trophy	IMC (Indian Merchants' Chamber)
Trusted Mattress Brand in India	Reader's Digest
Council Award	Plastic Export Promotion
Dare to Dream Business Person of the year - Rahul Gautam	Zee Business Channel
Sleep & Comfort Brand Category - Best Brand	Economic Times Best Brand 2019 - AC Nielsen Research Agency
Life Time Achievement Award - Rahul Gautam	Zakir Hussain Foundation
7 th Position Overall & 2 nd Position Textile Sector	Fortune India Next 500 Ranking
India's Best Mattress Brand of the Year 2020	Bershire Media, LISA (Based on Brand Research Report 2020)
Doctorate in "Global Leadership & Management"- Rahul Gautam	European International University, Paris, France

Shaping a Healthy Future Together

We create the perfect setting for the best sleep and refreshing comfort through products that are renowned for their durability, backed by stringent quality control and dedicated customer support.

OUR KEY STRENGTHS



Reputation and high brand recall: Sleepwell, the flagship brand of Sheela Foam Limited for mattresses and home comfort accessories, has a very solid reputation in the market for its quality and durability and a correspondingly high level of brand recall.



Research and development: We have heavily invested in R&D, and this is how we add market-leading value to every one of our products. Our health-friendly technology Neem Fresche, based on the disinfecting power of neem, protects users from dust mites that burrow in soft furnishings and trigger allergic reactions such as skin problems and breathing trouble. Our dedicated team of engineers and scientists not only improve products and introduce new benefits, but they also ensure round-the-year quality control.



Pan-India presence: Our wide distribution network includes 110 exclusive distributors, more than 11,500 retail dealers, over 7,400 multi-brand outlets, and more than 4,100 exclusive retail dealers.



Customer-centricity: We back-up our outstanding R&D and high quality with a dedicated customer care team that provides information about new technologies such as Neem Fresche, Comfort Cell, and My Mattress; helps them choose the best home comfort products based on their needs; and offers excellent after-sales support.



Promoting Sleepedia: This pioneering initiative raises awareness on that universal need, sound sleep, by building a community around sleep knowledge. Sleep Talk, Blogs, Your Sleep Story are some of the features of Sleepedia (accessible through our Company website) that engage people in learning more and understanding the role of an ideal bedroom and the best quality products in ensuring physical and psychological wellbeing.



Multi-location manufacturing presence: We have 10 manufacturing units across India - 5 in north; 2 in the west; 2 in the south; and 1 in the east. We also have 5 manufacturing facilities in Australia through our 100% subsidiary Joyce Foam. We also have manufacturing facility in Spain through our subsidiary, Interplasp S.L.



Intellectual capital: The Company is professionally managed by the best people in their field, and R&D is powered by a pool of top talent in science and technology, resulting in a busy pipeline of innovation.



Customer satisfaction: The superior comfort afforded by our Sleepwell range of mattresses is unparalleled. Features such as 'Zero Turn' (no turning of the mattress required to prevent sagging) and 'Responsive Memory Foam' (the foam remembers and responding to how one sleeps) give consumers utmost satisfaction.



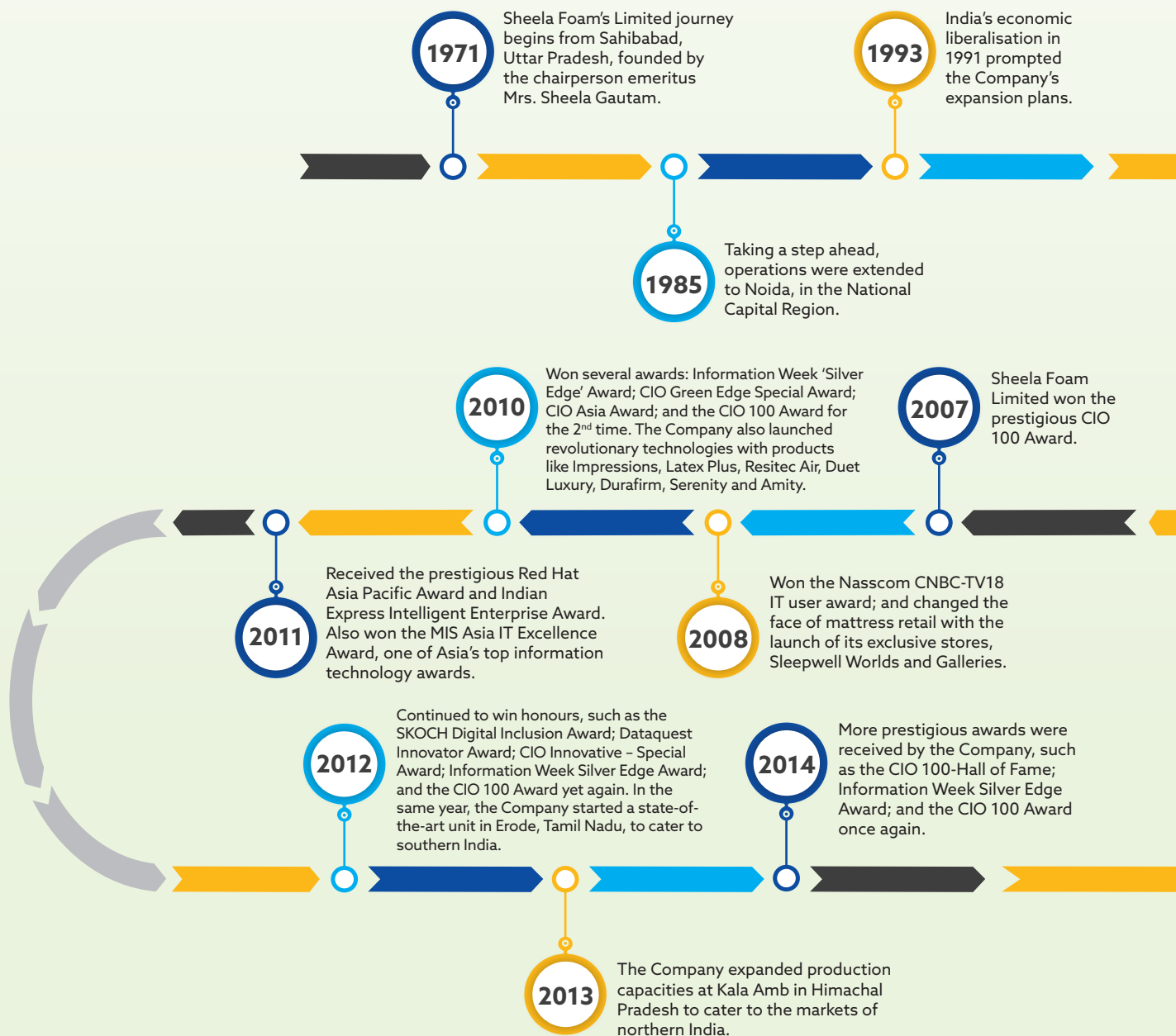
International presence: We export our international standard products to 25 countries. Exports largely comprise high quality technical Foam. With the US Market opening up, post trade barriers with China, the export of Bed In Box from Company or from its subsidiary in Spain is a strong possibility.

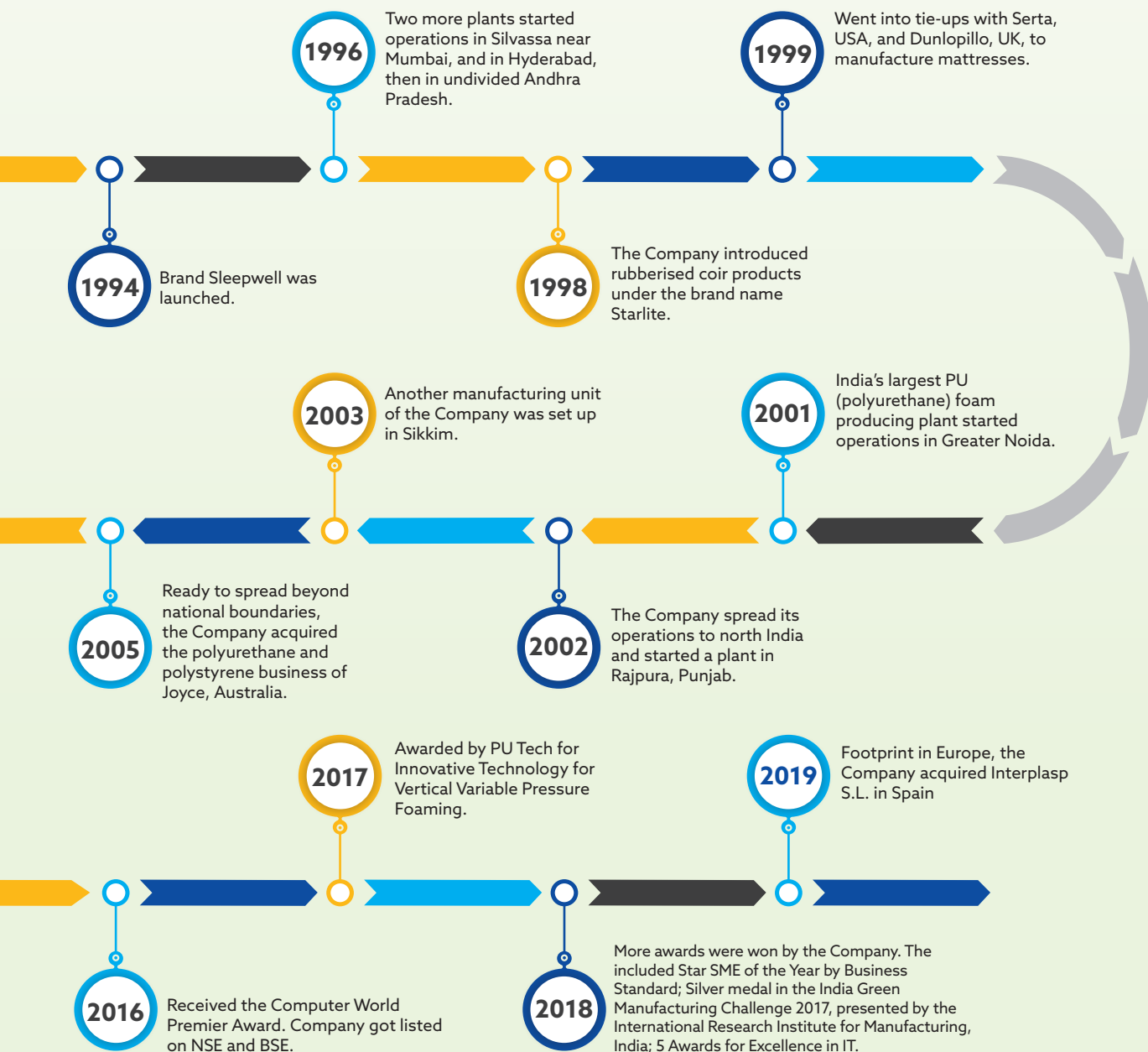


Our IT strength: One of the biggest strength of the Company is its IT and its application across all plants in India, Australia and Spain, Channel Partners. The Company has won various awards for its innovative IT applications. IT has enabled the Company in improving overall efficiency in operations, sales, Brand Protection, and other fields. During the year, the Company has set up a 100% subsidiary "Staqa" to provide IT services to Company, its Channel Partners, Subsidiaries. It is also starting to provide specialised IT services to other Government and private sectors. Staqa plans to provide IT services overseas, as well.

Our Journey of Excellence

We are in the 50th year of our operations, during which time we have galloped ahead of the competition in the Indian market and have made a name for ourselves in the international market.



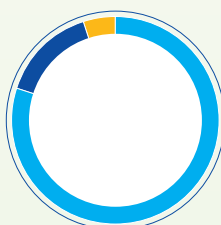


Performance Highlights

A Healthy Set of Numbers

₹2,174 Crore
CONSOLIDATED
TURNOVER

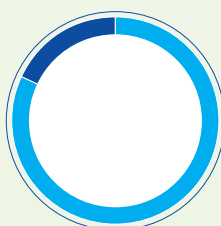
SEGMENTAL BREAK-UP



- **80%**
Indian Operations
- **15%**
Australian Operations
- **5%**
European Operations

9%
REVENUE GROWTH -
CAGR 2015-20

BREAK-UP OF INDIAN OPERATIONS

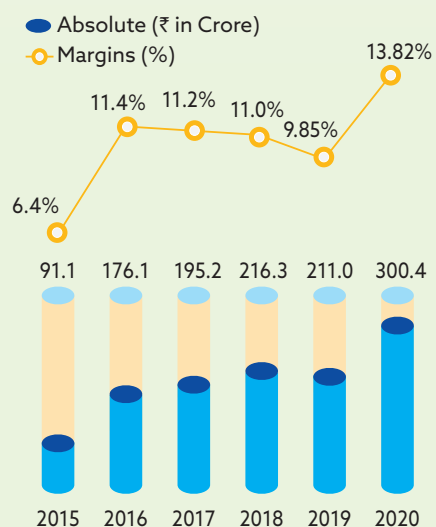


- **82%**
Home Comfort Line
- **18%**
Technical Foam

27%
EBIDTA GROWTH -
CAGR 2015-20

5-YEAR FINANCIAL GRAPHS ON:

EBIDTA

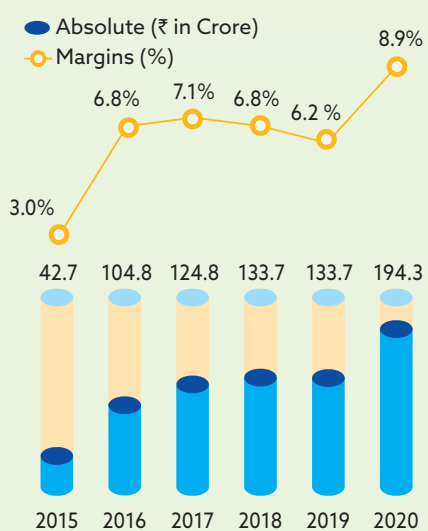


36%
PAT GROWTH -
CAGR 2015-20

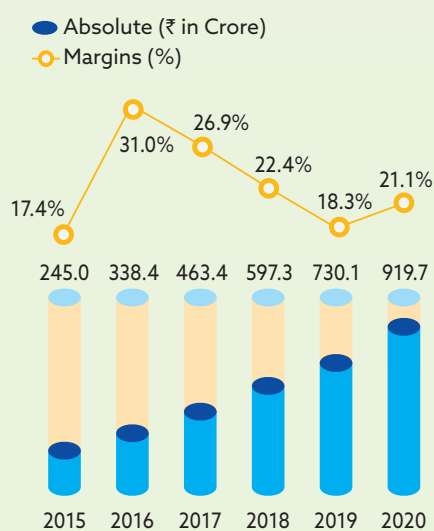
30%
NET WORTH GROWTH -
CAGR 2015-20



PAT



NET WORTH



EARNINGS PER SHARE

