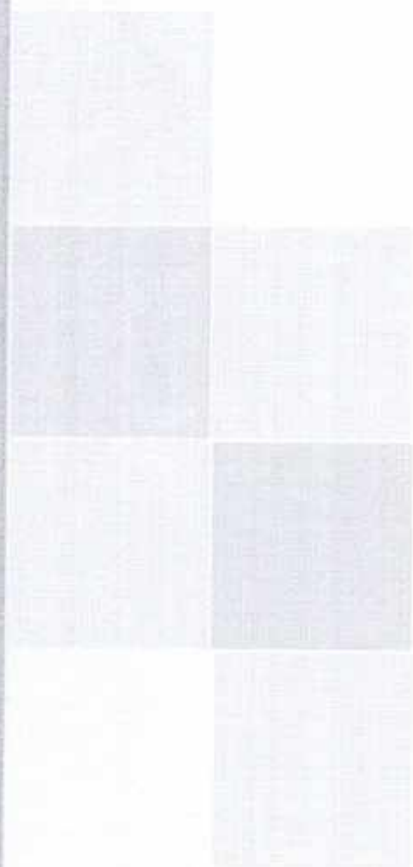


Valuation Report

SLEEPLOOP INDIA PRIVATE LIMITED

U74110MP2010PTC023332



VALUATION REPORT

ON

FAIR VALUE OF EQUITY SHARES

OF

SLEEPLOOP INDIA PRIVATE LIMITED

RAMESH CHAND KUMAWAT
(B.Com, FCA, ISA (ICAI), FAFD, IP & RV)
Chartered Accountants
Registered Valuer-Securities or Financial Assets (IBBI)
E-32, Akhsay CHSL, Jairaj Nagar Borivali (W), Mumbai 400091
E-mail: rckassociates@gmail.com
Mobile: 9004625550

RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

To,
The Board of Directors,
Sleeploop India Private Limited
Plot No. 821, Industrial Area, Sector - III,
Pithampur, District - Dhar, Pithampur,
Madhya Pradesh, India, 454775

Dear Sir(s)/Madam(s),

I, Ramesh Chand Kumawat, Chartered Accountants and registered Valuer (SFA) ("I", "We" or "Us"), have been appointed vide Engagement letter dated 2nd February, 2024 to render professional services to Sleeploop India Private Limited ("You" or "the Client" or "Company"), for providing our opinion on the fair valuation of equity shares of Sleeploop India Private Limited ("the Company").

We enclose our report providing our opinion on the fair value of equity shares of the Company on a going concern basis as at January 31, 2024 ("Valuation Date"). We have considered Fair Value as the valuation base for estimating the fair equity value of the Company.

All information in this report with respect to valuation subject has been obtained by us from you only. We are responsible only to the client engaging us and nobody else. We understand that the content of our report have been reviewed in detail by the client.

We believe that our analysis must be considered as a whole, selecting portions of our analysis or the factor we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions.

The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This letter should be read in conjunction with the attached report.

Thanking you,

Ramesh Chand Kumawat
(Chartered Accountant)
M No.404305
Registered Valuer –Securities or Financial Assets
(Reg. No. IBBT/RV/06/2020/13084)

Date: 14/02/ 2024
Place: Mumbai
UDIN: 24404305BKB1XP7826



Table of Contents

1. Background of the Company
2. Conditions and major assumptions
3. Valuation Premise
4. Valuation Date
5. Valuation Standards
6. Valuation Methodology and Approach
7. Source of Information
8. Caveats
9. Distribution of Report
10. Opinion on Fair Value of Equity Shares
11. Annexure 1



Valuation Analysis

1. Background of the Company

Context and Purpose

Based on discussion with the management, we understand that the Company's promoters are evaluating the possibility of Fair Value of Equity Shares under the Companies Act, 2013 and applicable rules thereunder. In the context of these proposed transactions, the management requires our assistance in determining the fair value of Equity Shares of the Company

Proposed Transaction:

Company is evaluating the Fair Value of Equity Shares, We understand that company intends to allocation of the equity shares.

In this context, the management of Sleeploop India Private Limited (the "Management") has requested us to estimate the fair value of the Equity Shares. - "Proposed Transaction".

Background of the company

Sleeploop India Private Limited is a distinguished entity in the manufacturing sector, specializing in the production of Premium Rebonded Foam, also known as Bonded Foam. Renowned for its commitment to quality and innovation, the company offers a diverse range of products, including Rebonded Foam, Memory Foam Mattresses, Orthopedic Mattresses, and Bonded Foam variants.

Situated at Plot # 821, Sector III, within the vibrant industrial landscape of Pithampur, District Dhar, in the esteemed Pithampur Industrial Area of Madhya Pradesh, Sleeploop India's manufacturing unit stands as a testament to its operational excellence. This strategically located facility serves as the epicenter of the company's production activities, meticulously crafting each product to meet the highest standards of comfort and durability.

With a dedicated focus on customer satisfaction and adherence to stringent quality standards, Sleeploop India Private Limited continues to solidify its position as a trusted provider of superior foam products.

Company URL: N.A

Directors and Key Managerial Persons:

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
06632309	Preeti Agrawal	Director	29/07/2013
08193625	Zahabia Kalabhai	Director	09/02/2021
05325762	Kaid Johar Kalabhai	Director	01/11/2022

Shareholding pattern as on Valuation date is given below

Sr. no.	Shareholders	No. of Equity shares	% Holding
1	Preeti Agrawal	81,699	51.06%
2	Zahabia Kalabhai	78,301	48.94%
	Total Equity Shares	1,60,000	100.00%

RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

Further data of the company is as under:

CIN	U74110MP2010PTC023332
Company Name	SLEEPLOOP INDIA PRIVATE LIMITED
ROC Name	ROC Gwalior
Registration Number	023332
Date of Incorporation	06/04/2010
Email Id	*****dk@gmail.com
Registered Address	Plot No. 821, Industrial Area, Sector - III, Pithampur, District - Dhar, , Dhar, Pithampur, Madhya Pradesh, India, 454775
Address at which the books of account are to be maintained	-
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant
Authorised Capital (Rs)	30,00,000
Paid up Capital (Rs)	16,00,000
Date of last AGM	30/09/2023
Date of Balance Sheet	31/03/2023
Company Status	Active
Jurisdiction	
ROC (name and office)	ROC Gwalior
RD (name and Region)	RD, North Western Region

2. Conditions and major assumptions

Conditions

The historical financial information about the Company presented in this report is included solely for the purpose to arrive at value conclusion presented in this report and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country. We have not audited, reviewed or compiled the financial statements and express no assurance on them.

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

Private & Confidential

Report on Fair Value of Shares: Sleeploop India Private Limited



RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not to require to give expert testimony or to be in attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the client and other sources as listed in the report. This information is assumed to be accurate and complete.

We have relied upon the representations contained in the public and other documents in our possession and any other assets or liabilities except as specifically stated to the contrary in this report.

We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the Company will maintain the character and integrity of the Company.

We have been assume that there are no Significant lawsuits or any other Undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

3. Valuation Premise

The premise of value for our analyses is going concern value.

4. Valuation Date

The Analysis of the Fair Value of Equity shares of the Sleeploop India Private Limited, of the Company has been carried out on 31st January, 2024.

5. Valuation Standards

The Report has been prepared in compliance with the internationally accepted valuation standards and valuation standard adopted by ICAI Registered Valuers Organisation.

6. Valuation Methodology and Approach

The standard of value used in the Analysis is "Fair Value", which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Whether the entity is listed on a stock exchange
- Industry to which the Company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to Perpetuity can be estimated
- Extent to which industry and comparable Company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

Income Approach

The Income Approach indicates the value of a business based on the value of the cash flows that a business is expected to generate in future. This approach is appropriate in most going concern situations as the worth of a business is generally a function of its ability to earn income/cash flow and to provide an appropriate return on investment.

Market Approach

Compared to the Income Approach that incorporates company-specific estimates to arrive at the firm's intrinsic value, the Market Approach relies on relative valuation to arrive at the value of a business, based upon how similar assets are priced in the market.

The Market Approach provides a reasonable basis for valuation and is relatively a quick approach in its application, but it suffers from a number of limitations

Cost Approach

Valuation on Net Assets is computed by taking the net value of a business's assets, subtracting therefrom the amount of the liabilities and preferred shareholders' claims and dividing the remainder among the equity shareholders according to their individual rights

It is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy it as a going concern

Maintainable Profit Method or Discounted Cash Flows Method ('DCF')

DCF uses the future free cash flows of the company discounted by the firm's weighted average cost of capital (the average cost of all the capital used in the business, including debt and equity), plus a risk factor measured by beta. Beta is an adjustment that uses historic data to measure the sensitivity of the company's cash flow, for example, through business cycles. This means that companies in highly cyclical businesses will have a high beta to reflect the volatile nature of their cash flow. The DCF method is a strong valuation tool, as it concentrates on cash generation potential of a business.

Private & Confidential

Report on Fair Value of Shares: Sleeploop India Private Limited



Comparable Company Market Multiple

Under this methodology, market multiples of comparable listed companies are computed and applied to the Company being valued to arrive at a multiple based valuation. The difficulty here is in the selection of a comparable company, since it is rare to find two or more companies with the same product portfolio, size, capital structure, business strategy, profitability and accounting practices.

Price/Earnings multiple

This is a popular method due to its simplicity. However, it has limited acceptability due to the results being influenced by differences in accounting methods (i.e. treatment of intangible assets) or an artificially boosted PE ratio due to an atypical drop in earnings. Earnings before interest, depreciation and tax is usually preferred over net earnings in order to even out differences caused by capital structure, tax benefits, etc

Market Cap/Sales Multiple

This method is sometimes used to value the SME sector by multiplying a year's gross/net profit or sales by a certain number, determined as the appropriate multiple for the type of business. This approach particularly with the small and medium sized business has little or no scientific methodology behind it, as it assumes automatically that what has gone before will continue in the future.

Industry Valuation Benchmarks

A number of industries have industry-specific valuation benchmarks such as 'EV per MW' for power generation companies, 'EV per subscriber' for telecom companies, etc. which can be applied as rule of thumb for business valuation. Other industries where long term contracts are a key feature, multiples of revenues can be used as a valuation benchmark. These industry norms are based on the assumption that investors are willing to pay for turnover or market share and that the normal profitability of businesses in the industry does not vary much. This methodology is more useful as a sense check of values produced using other methodologies.

Valuation Methodology

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose.

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of companies and their assets.

Accordingly, we have summarized the application of valuation methods for the current valuation exercise as under:



Market Approach

We have noted that the shares of Sleeploop India Private Limited are not listed on recognised stock exchanges in India; further there are No comparable Listed peers in India and globally. Therefore we have not considered the market price method

Income Approach

Value of the business using income approach is estimated based on earning capacity of the entity or net present value of cash flow earned from the business. Profit earning capacity value (PECV) or discounted cash flow (DCF) methods is used to estimate the value of equity using income approach. PECV method capitalised future maintainable profit to estimate the value of equity, whereas DCF method estimates the value of business by the cash flow which are forecasted to be earned in future. In the current case,

- There is significant uncertainty on the amount and timing of income/future cash flows
- We have not been provided with a detailed business plan relating to the future performance of the companies by the Client, as the future cash flows are not available and cannot be reasonably be projected.
- Hence, we have not considered DCF Method under the income approach for the present valuation exercise

Cost Approach

Value of a business entity using cost approach is estimated using either net book value or replacement value or realizable value. Unaudited balance sheet of the company is available as at 31 January 2024, thus we have used net asset value method for the company and have adjusted them from changes in fair value of assets. The calculation of net assets value of the share of the company is as at 31 January 2024.

PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information from the Management.
- Used data available in public domain related to the Companies.
- Discussions (physical/over call) with the Management to understand the business and fundamental factors that affect companies' earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance
- Research publicly available market data including economic factors and industry trends that may impact the valuation.
- Selection of well accepted valuation methodologies as considered appropriate by us.



7. Source of Information

The Analysis is based on a review of the business of the Company and information relating to sector as available in the public domain. Specifically, the sources of information include:

- Audited financial statements of the company as on 31 March 2023.
- Provisional financial statements of the company as on valuation date 31 January 2024.
- Valuation report for the asset class - Land & Building, provided by the registered Valuer, Mr. Arvind Kumar Agrawal
- Valuation report for assets class- Plant & Machinery provided by registered Valuer (RV) Mr. Dilip Kumar Jain
- Discussions/explanations with the client / representative of the client
- Details of Shareholding and numbers of fully diluted Equity Shares as on valuation date;
- Management Representation Letter(MRL)
- All Company specific information were sourced from the client, either in the written hard copy or digital form;
- Other information / data available in public domain.

In addition to the above, we have also obtained such other information and explanations from the client as were considered relevant for the purpose of the valuation. It may be mentioned that the client has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

8. Caveats

Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/international tax-related services that may otherwise be provided by us.

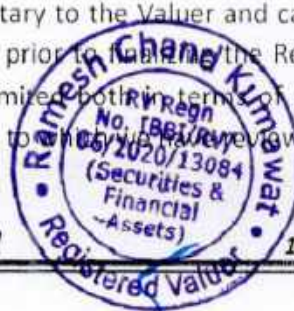
Our review of the affairs of the Company and their books and account does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management of the Company and accepted the information provided to us as accurate and complete in all respects. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the Report.

The report is based on information listed in source of information as provided to us by the Management of the company, similarly we have relied on data from external sources. These sources are considered to be reliable and therefore, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

The valuation worksheets prepared for the exercise are proprietary to the Valuer and cannot be shared. Any clarifications on the workings will be provided on request, prior to finalizing the Report, as per the terms of our engagement. The scope of our work has been limited to the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

Private & Confidential

Report on Fair Value of Shares: Sleeploop India Private Limited



RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

The Valuation Analysis contained herein represents the value only on the date that is specifically stated in this Report. This Report is issued on the understanding that the Management of the Company has drawn our attention to all matters of which they are aware, which have an impact on our Report up to the date of signature. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

We have no present or planned future interest in the Company and the fee for this Report is not contingent upon the values reported herein. Our Valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction with the Company.

9. Distribution of Report

The Analysis is confidential and has been prepared exclusively for the client, It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time.

10. Opinion on Fair Value of Equity Shares

Based on our valuation exercise, Fair Value of the Equity Shares is derived at **Rs. 148.13/- (Rupees One Hundred Forty Eight and Paise Thirteen Only)** per share as at the valuation date.

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Thanking you,



Ramesh Chand Kumawat
(Chartered Accountant)
M No.404305
Registered Valuer-Securities or Financial Assets
(Reg. No. IBBI/RV/06/2020/13084)

Date: 14/02/ 2024

Place: Mumbai

UDIN: **24404305BKBIXPT826**



RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

11. Annexure 1

Annexure: Summary of Financial statements (Balance Sheet)

(Rs in hundreds)

Sr. no.	Particular's	As at Jan 31, 2024 (Un audited)	As at March 31, 2023 Audited
	Assets		
1	Non-Current Assets		
	a) Property plant and equipment	4,87,098.22	3,05,429.60
	b) Intangible assets		
	c) Long-term loans and advances		
	Total Non-current assets	4,87,098.22	3,05,429.60
2	Current Assets		
	a) Inventories	51,641.25	24,480.00
	b) Sundry Debtors	3,62,359.94	1,46,100.40
	c) Cash & Cash equivalent	9,964.05	14,631.73
	d) Short-term loans and advances	72,889.90	45,461.07
	e) Current Tax assets	-	-
	f) Other Current assets	14,199.46	12,197.97
	Total Current assets	5,11,054.60	2,42,871.17
	TOTAL ASSETS	9,98,152.82	5,48,300.77
	Equity & Liabilities		
3	Equity		
	a) Equity Share Capital	16,000.00	16,000.00
	b) Other Equity	1,50,604.05	87,078.55
	Total Equity	1,66,604.05	1,03,078.55
4	Non-Current Liabilities		
	Long term borrowings	2,04,967.20	2,73,757.24
	Deferred tax liabilities	963.88	963.88
	Total non-current Liabilities	2,05,931.08	2,74,721.12
5	Current Liabilities		
	a) Short term borrowings	4,68,380.93	1,45,955.20
	b) Trade payable	1,51,582.04	8,779.59
	c) Other current Liabilities	5,654.73	7,575.72
	c) short term Liabilities	-	8,190.59
	Total current Liabilities	6,25,617.69	1,70,501.10
	TOTAL LIABILITES	9,98,152.81	5,48,300.77



RAMESH CHAND KUMAWAT
Registered Valuer-Securities or Financial Assets

Annexure: Valuation of the company

(Rs in hundreds)

Particular's	As at Jan 31, 2024
Calculation of adjusted net assets value	(Un audited)
Net Assets Value (Book Value)	1,66,604.05
Less: Book value of Investment	-
Less: Book value of land & building	95,369.87
Less: Book value of P&M	3,69,632.19
Less: Book value of other assets	22,096.17
Add: Fair value of Investment-quoted	-
Add: Fair value of Investment-unquoted	-
Add: Fair value of land & building	2,11,330.00
Add: Fair value of P&M	3,50,409.38
Add: Fair value of other assets	22,096.17
Adjusted Net Assets value	2,63,341.37
Less: DLOM @10%	26,334.14
Fair Value	2,37,007.24
No. of Outstanding equity shares on fully dilution basis	1,60,000
Fair Value per share	148.13

^ The valuation for the asset class of Land & Buildings is derived from the valuation report furnished by Mr. Arvind Kumar Agrawal, a registered Valuer (RV)

^^The valuation for the asset class of Plant & Machinery is based on the valuation report furnished by Mr. Dilip Kumar Jain, a registered valuer (RV)

-----End of report-----

