



## **SANGAL & ASSOCIATES**

Chartered Accountants

### **TO WHOMSOEVER IT MAY CONCERN**

1. Handy Home Solutions Private Limited ("the Company"), a company incorporated under the Companies Act, 2013, on November, 25, 2014 bearing registration no U74900MH2014PTC259683, having its registered office at - B-3084/3089, Oberoi Gardens, Chandivali Farm Road, Chandivali, Mumbai-400072.
2. The authorized share capital of the Company is Rs 5,50,000 (47,232 equity shares @ Rs. 10/- & 3,884 preference shares @ Rs. 20/-). The existing issued, subscribed & paid up share capital of the Company is Rs. 5,44,470/- (46,679 Equity Shares @ Rs. 10/- & 3,884 Preference Shares @ Rs. 20/-).
3. Non-resident shareholders of the Company are transferring the shares held by them in the Company to some resident company.
4. Company has considered discounted free cash flow approach pursuant to "Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Amendment) Regulations, 2010 dated April 7, 2010" read with "A.P. (DIR Series) Circular no 49 dated 4<sup>th</sup> May 2010" to determine the fair value of the shares.
5. Weighted Average Cost of Capital will be taken @ 19.07%  
Based on the results of the Discounted Free cash flow approach and considering other relevant data, the Fair Value of per Equity Share of the company as on August 09<sup>th</sup>, 2016 is arrived at INR 323.30 per share.

Particulars	Value
Present Value of Cash flows to Equity based on Cost of Equity of 19.07% (A)	INR 163.47 Lacs
Total Number of Equity shares	46,679
Total Number of Preference shares	3,884
Total Number of Shares (B)	50,563
Fair Value of share (C)= (A) / (B)	INR 323.30



A-1/68A, PASCHIM VIHAR, NEW DELHI-110063

Mob. No. 9999438644

6. The above estimate is also subject to the Assumptions and Limiting Conditions as set forth in the Valuation Report issued by us on even date.
7. This certificate is issued on the basis of details/documents/undertaking and specific request of the company without any responsibility and liability on the firm and any partner of the firm.

For M/S SANGAL & ASSOCIATES  
Chartered Accountants



RAHUL SANGAL

Partner

Firm Registration No. 024182N

M.No. 519545

Dated: - 22<sup>nd</sup> August 2016

Place: - New Delhi

**HANDY HOME SOLUTIONS PRIVATE LIMITED**  
**CIN U74900MH2014PTC259683**  
**DCF Valuation Method**

Particulars	(in INR)				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	1	2	3	4	5
Profit After Tax					
	912,340.00	1,093,140.00	1,409,234.00	2,109,312.00	3,276,492.00
Net Cash Flow					
	912,340.00	1,093,140.00	1,409,234.00	2,109,312.00	3,276,492.00
Discount Factor - WACC	19.07%				
	1.00000	0.83984	0.70533	0.59237	0.49750
NPV of Cash Flow					
	912,340.00	918,065.00	993,981.74	1,249,492.81	1,630,045.39
Calculation of Perpetuity Value					
					10,643,144.43
Calculation of Total Value					
NPV of Cash Flow for Explicit Period					
NPV of Perpetuity					
Total NPV					
					5,703,924.94
Add: Surplus Cash					
Value for Equity Shareholders					
No. of Equity Shares (actual)					
No. of Preference Shares (actual)					
Total No. of Shares (actual)					
Value per Share of face value of Rs 100					
					323.30

Note:

1. Valuation assumes the company would grow @ 5.5% perpetually after the period under projection



**HANDY HOME SOLUTIONS PRIVATE LIMITED**  
**CIN U74900MH2014PTC259683**  
**Calculation of WACC**

Cost of Equity		
Risk Free Rate - A	10.08%	
Equity Risk Premium - B	8.18%	
Beta - C	1.10	
Cost of Equity - (A+B*C)		19.07%
Cost of Debt - A		
Prime Lending rate of SBI - A	14.55%	
Tax Rate - B	33.22%	
Cost of Debt (Net of Tax) - A*(1-B)		9.72%
Debt Equity Ratio		
Equity	1.00	
Debt		
WACC		19.07%





**HANDY HOME SOLUTIONS PRIVATE LIMITED**  
CIN U74900MH2014PT C259683

**PROFIT AND LOSS ACCOUNT**

(In INR Thousands)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
<b>Revenue</b>					
Earning from Operations	1,780.70	2,267.56	3,071.63	4,694.54	7,262.20
<b>TOTAL</b>	<b>1,780.70</b>	<b>2,267.56</b>	<b>3,071.63</b>	<b>4,694.54</b>	<b>7,262.20</b>
<b>Expenditure</b>					
Salaries	300.00	450.00	675.00	1,080.00	1,620.00
Rentals	30.00	45.00	67.50	101.25	151.88
Travelling Costs	15.00	22.50	33.75	50.63	75.94
Marketing/ Advertising	48.00	72.00	108.00	162.00	243.00
Technology/ Communication	15.00	24.51	40.05	65.44	107.10
Other Expenses	11.00	22.00	44.00	87.00	174.00
<b>TOTAL</b>	<b>419.00</b>	<b>636.01</b>	<b>968.30</b>	<b>1,546.32</b>	<b>2,371.91</b>
<b>Net profit before tax</b>	<b>1,361.70</b>	<b>1,631.55</b>	<b>2,103.33</b>	<b>3,148.23</b>	<b>4,890.29</b>
<b>Taxes</b>					
Income Tax	449.36	538.41	694.10	1,038.91	1,613.79
<b>Profit c/f to Balance Sheet</b>	<b>912.34</b>	<b>1,093.14</b>	<b>1,409.23</b>	<b>2,109.31</b>	<b>3,276.49</b>

