



# HPA & CO.

## CHARTERED ACCOUNTANTS

To,  
The Board of Directors  
**MASK INVESTMENTS LIMITED**  
A/601-B, International Trade Centre,  
Majura Gate, Surat

Dear Sirs,

**Sub:- Certification regarding Pricing of the Issue of upto 70,00,000 Convertible Warrants on Preferential Allotment basis of Mask Investments Limited in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ("SEBI ICDR Regulations")**

1. We understand that Mask Investments Limited ('the company') having its registered office at A/601-B, International Trade Centre, Majura Gate, Surat is proposing to issue upto 70,00,000 Convertible Warrants (each Warrant Convertible into one Equity Share) on Preferential Basis (the "Proposed Preferential Issue") to various persons, subject to approval of the members of the Company at their deemed General Meeting to be held on 18<sup>th</sup> January, 2017, which is the date of declaration of result of Postal Ballot.
2. In connection with above Proposed Preferential Issue the Company requires us to certify the minimum Issue Price in accordance SEBI ICDR Regulations and on the basis of various relevant records produced before us and according to information and explanations given to us by the Company. The relevant date for issue of warrants is 19<sup>th</sup> December, 2016 ('the Relevant Date').
3. According to the information and explanations given to us, and based on the records produced to us for verification, it is noted that though the equity shares of the Company are listed on NSE but the total traded turnover on NSE during the twelve calendar months preceding the relevant date is less than 10% of the total number of equity shares of the Company and thus in accordance of Regulation 71A the equity shares of the company are Not Frequently Traded Shares of the Company. According, the pricing of the Convertible Warrants has to be done in accordance with Regulation 76A of SEBI ICDR Regulations.



Office No: 210, Empire State Building, Ring Road, Surat - 395 002.

Tel / Fax No :- (0261) 3040647, (Mo)-98985 88275

Email id : agarwalashiv@gmail.com



# HPA & CO.

## CHARTERED ACCOUNTANTS

4. As per Regulation 76A of SEBI ICDR Regulations, the price is determined taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.
5. According to information and explanation given to us, we do hereby certify that minimum issue price of Proposed Preferential Issue as per Regulation 76A of SEBI ICDR Regulations has been worked out at Rs. 40/- per share. The working for arriving at such minimum issue price is attached herewith in Annexure '1' annexed to this certificate.

This certificate is issued solely in connection with the issue of Warrants convertible in Equity Shares of the company and is not intended for any other purpose.

**For HPA & Co.**

*Chartered Accountants*

**Firm Registration No.:-308049E**



**(Shiv Agarwala)**

**Partner**

**M. No.: 123071**

**SURAT, 19<sup>th</sup> December, 2016**

**Office No: 210, Empire State Building, Ring Road, Surat - 395 002.**

**Tel / Fax No :- (0261) 3040647, (Mo)-98985 88275**

**Email id : agarwalashiv@gmail.com**



## **MASK INVESTMENTS LIMITED**

### **ANNEXURE "1"**

#### **VALUATION OF SHARES OF MASK INVESTMENTS LIMITED:-**

We understand that Mask Investments Limited ('the company') having its registered office at A/601-B, International Trade Centre, Majura Gate, Surat is proposing to issue upto 70,00,000 Convertible Warrants (each Warrant Convertible into one Equity Share) on Preferential Basis (the "Proposed Preferential Issue) to various persons and for that purpose its requires certificate for valuation of shares in accordance with Regulation 76A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, as amended ("SEBI ICDR Regulations"). We are pleased to present our report as follows:-

#### **(a) Valuation date**

The relevant date of valuation is 19<sup>th</sup> December, 2016 as per SEBI ICDR Regulations. For valuation of shares of the company the Value of Assets and Liabilities as on 31<sup>st</sup> March, 2016 has been taken as this is last Audited Value of Assets & Liabilities of the Company.

#### **(b) Business of the company**

The company is engaged in business of Non-Banking Finance Company (NBFC) at Surat having Certificate of Registration (COR) from Reserve Bank of India (RBI). The shares of the company are listed at NSE. The company is an investment company as most of the assets of the company are invested in Equity Shares of the company.

#### **(c) Sources of information**

Various information has been obtained from Audited Financial Statements as on 31<sup>st</sup> March, 2016 and also Market Value of Listed Equity Shares held by the Company in its Investments as per Closing Rates of 19<sup>th</sup> December, 2016.

#### **(d) Methodology**

The company being Investment Company (NBFC – Investment Company) and also having borrowings from other Companies, the income method is not appropriate method of valuation. The most appropriate method of valuation is Net Asset Method considering Book Values of Assets of the company other than Investment in Equity



Shares of Companies which are listed and traded on Stock Exchange. The investment in Equity Shares of listed companies is valued at closing rate of shares as on 19<sup>th</sup> December, 2016 at NSE. The book values of other assets have been taken as on 31<sup>st</sup> March, 2016 which is last Audited Financial Statement.

**(e) Limiting conditions**

The assets, except for investment in listed shares, and liabilities have been taken on book value as per Last Audited Financial Statements i.e. as on 31<sup>st</sup> March, 2016. The profits / losses of current year and changes in valuation as on date of our valuation report has not been considered in above.

**(f) Computation of Value**

The computation of value of shares as per above methodology and limiting conditions is as follows:-

Particulars	Amount (In Rs.)	Amount (In Rs.)
<b>ASSETS:-</b>		
1. Non-Current Investment Other than Listed Shares	3,85,000	
2. 1498881 Equity Shares of Mohit Industries Limited (Valued at Closing Rate of 19 <sup>th</sup> December, 2016)	4,51,16,318	
3. 1502706 Equity Shares of Bigbloc Construction Limited (Valued at Closing Rate of 19 <sup>th</sup> December, 2016)	7,73,89,359	
4. Cash & Bank Balances	6,18,410	
5. Short Term Loans & Advances	1,98,70,310	
6. Other Current Assets	48,888	
<b>TOTAL ASSETS (A)</b>	<b>14,34,28,285</b>	<b>14,34,28,285</b>
<b>LIABILITIES</b>		
1. Long Term Provisions	48,725	
2. Short Term Borrowings	1,95,00,000	
3. Trade Payables	12,01,765	
4. Other Current Liabilities	1,129	
5. Short Term Provisions	11,015	
<b>TOTAL LIABILITIES (B)</b>	<b>2,07,62,634</b>	<b>2,07,62,634</b>
<b>NET ASSETS (A-B)</b>		<b>12,26,65,651</b>





Particulars	
Net Assets as per above table (A)	Rs. 12,26,65,651
Weighted average number of shares (B) (3051500 fully paid up equity Shares of Rs. 10/- each)	30,51,500
<b>Value Per Share (A/B)</b>	<b>40.20</b>

**(g) Fair Value**

On the basis of above, in our opinion, considering the various factors, assumptions and variables, the fair value of shares of the company is Rs. 40/- per share as on 19<sup>th</sup> December, 2016.

