

# Valuation Analysis of Maral Overseas Limited

CIN No. L17124MP1989PLC008255

**Registered Office:**

Maral Sarovar V&PO Khalbujurg, Tehsil  
Kasrawad, Khargone – 451660  
Madhya Pradesh (India)

**Valuation Date:**

July 25, 2025

**Report Date:**

August 01, 2025



Prepared by:  
**CA Kapil Dev Dhir**

Chartered Accountant

IBBI Registered Valuer

IBBI Registration No. IBBI/RV/06/2021/14028

ICAI RVO Enr No.: ICAIRVO/06/RV-P004/2021-2022

Date: August 1, 2025

**The Board of Directors**

**Maral Overseas Limited**

Maral Sarovar V & P.O. Khalbujurg Tehsil Kasrawad  
Khargone Madhya Pradesh, India, 451660

**Subject: Determination of fair value of 9.25% Non-Convertible Redeemable Preference Shares proposed to be issued by Maral Overseas Limited in terms of section 42 of the Companies Act, 2013 read with Rules thereunder.**

Dear Sir/ Madam,

I have been appointed by Maral Overseas Limited to determine the fair value of preference shares proposed to be issued by Maral Overseas Limited.

I have conducted our valuation exercise on the basis of information/documents and explanations given to us by the management. Based on the same, our report on valuation is being submitted herewith for your kind reference. The fair value of Redeemable Preference shares of Maral Overseas Limited estimated for the reference date, July 25, 2025 is estimated at **Rs.79.96 per share.**

Yours Faithfully,

**For CA Kapil Dev Dhir**



**CA Kapil Dev Dhir**

ICAI M. No. 509962

IBBI Regn No.: IBBI/RV/06/2021/14028

ICAI RVO Enr No.: ICAIRVO/06/RV-P004/2021-2022

**UDIN: 25509962BMMMLK3349**

**Date: August 1, 2025**

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## **DISCLAIMER AND CONFIDENTIALITY**

This valuation report ("Report") is being furnished on the request of the management of **Maral Overseas Limited (hereafter referred to as 'company' or 'MOL')** for **determining the fair value for the purpose of issuance of 9.25% Cumulative, non-convertible, redeemable preference shares for the purpose of compliance with Section 42 of the Companies Act, 2013 and rules thereunder.**

The report has been prepared by CA Kapil Dev Dhir, (herein referred as "I") from information extracted from desk research, published reports and other data supplied by the management of the company and other sources believed to be reliable and true. Our scope of work includes limited verification of data submitted by management and I have relied upon the data so submitted. The report cannot be distributed, published, reproduced or used, without the prior express written consent of "CA Kapil Dev Dhir", for any purpose except as mentioned in the report.

The valuation has been derived using the information provided to us by the management as have been detailed in later part of the report. The management of "MOL" has provided the factual data, and business details on which I have relied. While the information provided herein is believed to be true and reliable to the best of our knowledge, I do not make any representations or warranties express or implied, as to the accuracy or completeness of such information.

In furnishing the report, "I" reserves the right to amend or replace the report at any time. The information contained herein is based on certain assumptions and management's analysis of information available at the time there report was prepared. I do not purport to give any representation, warranty or other assurance in relation to his document.

This report and the information contained herein are confidential. It is intended only for the sole use and information of Client and only for the purpose mentioned herein. I am not responsible to any other user of the report for any decision of such user based on this report. Any user intending to provide finance / invest in the shares/business of the company and/or the client, its subsidiaries, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.



## EXECUTIVE SUMMARY

Our current scope of work for this exercise includes:

To determine the issue price for the purpose of issuance of 9.25% Cumulative, non-convertible, redeemable preference shares.

- **As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report. While utmost care has been taken, however, our report is subject to the limitations detailed hereinafter:**
  - a) **Valuation Date of the Report** – Valuation analysis and results are specific to the reference date i.e., **July 25, 2025 contemplated on the basis of information and estimations provided by the management.** The valuation has been conducted with reference to the term of issue provided by management.
  - b) **Reliance on the Information provided** – I have been provided with certain written and verbal information and assumptions from the management of “MOL”. I have relied on the information provided by the management and experts and have not conducted any detailed enquiry. **Accordingly, I do not express any opinion or offer any form of assurance regarding its accuracy and completeness.**
  - c) **Valuation Analysis** – Valuation is not a precise art and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment.
  - d) **Caution to users of the Report** – This report and the information contained herein are confidential. It is intended only for the sole use of the purpose mentioned in this report.

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## DATA RELIED UPON

For the purpose of the report, documents and information, as provided by the management of MOL have been relied upon. I have completely relied on the information provided by the management of MOL and have not verified the same.

I have relied upon Management Representation Letter dated July 22, 2025 wherein the management has provided the following information:

- Brief background of the business of Maral Overseas Limited
- Term sheet for the proposed issue of 9.25% Cumulative, non-convertible, redeemable preference shares.
- Other information considered useful during the course of assignment.

I have also relied upon verbal explanation and information given to us by the management of the company during the course of our exercise.

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## COMPANY OVERVIEW

### Maral Overseas Limited

Maral Overseas Limited, an Indian company incorporated on January 27, 1989 and holding registration no. 008255 (CIN-L17124MP1989PLC008255) having its registered office at Maral Sarovar V & P.O. Khalbujurg Tehsil Kasrawad, Khargone, Madhya Pradesh, India, 451660. The Company is a Public Limited company, limited by shares and company is a non-government company, its shares are listed on Bombay Stock Exchange (BSE) and the National Stock Exchange of India (NSE). Registrar of Companies: ROC-Gwalior.

MOL is a LNJ Bhilwara group. It is a vertically integrated textile company which manufactures cotton yarn, knitted fabrics, processed fabrics and ready-made garments and has presence throughout the textile value chain. Company is an export-oriented unit. It uses significant portion of in-house cotton yarn and fabrics to manufacture fabric and garments

#### Product Profile:

- a) Cotton Yarn: 100% cotton combed yarn in different count ranges.
- b) Knitted Fabric: Single Jerseys, Ribs, Interlocks, Piques, Body Sized seamless fabrics for both underwear as well as Active Wear in 100% cotton and various blends.
- c) Garments: Activewear, Casual wear, and Sleepwear for men and Ladies in Conventional and Organic, etc.

(Source: Management Information)

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## TERMS FOR ISSUE OF PREFERENCE SHARES

Following are the significant terms and conditions for the proposed issue of preference shares;

- **Nature of the Instrument:** Cumulative, Non-Convertible, Redeemable Preference Shares
- **Issuer:** Maral Overseas Limited
- **Face Value of Preference Shares:** Rs.100 (Hundred Rupees)
- **Issue Price-** Rs. 100 (Hundred Rupees)
- **Issue Size:** 30,00,000 (Thirty Lakh preference shares)
- **Tenure of Preference Shares:** Redeemable within a period of 10 years from allotment
- **Rate of Dividend:** 9.25% from the date of allotment
- **Redemption Price:** Rs. 100 (Hundred Rupees)
- **Participation Rights:** Non-participating, non-voting except voting rights as per section 47(2) of the Companies Act, 2013.
- **Objective of the issue:** To augment immediate requirement of funds towards meeting working capital requirement as well as some capital expenditure and simultaneously will maintain its capital base at reasonable levels and also without any change in the existing equity capital structure.
- **Manner of Issue:** Private Placement through circulation of private placement offer letter.

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## VALUATION METHODOLOGY

There are number of methods for estimation of Fair Value of Shares including preference shares. The methods fall under following 3 basic approaches.

- **COST APPROACH**
- **INCOME APPROACH**
- **MARKET APPROACH**

### **COST APPROACH:**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis.

### **INCOME APPROACH:**

The Income Approach derives an estimation of value based on the sum of the present value of expected economic benefits associated with the asset or business. Under the Income Approach, the appraiser may select a single period capitalization method or a multi-period discounted future income method.

- **Multi Period Discounted Future Income Method**

The methodology expresses the present value of instrument as a function of its future cash flows. This methodology works on the premise that the value of instrument is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. It recognizes that money has a time value by discounting future cash flows at an appropriate discount factor.



## **MARKET APPROACH:**

The Market Approach derives an estimation of value based on price of the instrument listed on the stock exchange, or estimating the value of the instrument from a peer company/ group of companies listed in stock exchange, or estimating the price of the Company from a similar transaction.

## **METHODOLOGY ADOPTED FOR VALUATION OF MOL**

### **Fair Value:**

The underlying preference shares are non-convertible and therefore is being treated as non-equity instrument for the purpose of the valuation. **I have used Income Approach for the purpose of estimating the fair value of preference shares. Income approach envisages return on investment from securities and present value of these returns is the fair value of securities.**

## **ASSUMPTIONS USED FOR VALUATION**

- The tenure of the preference shares is kept at 10 years, and I have assumed that the preference shares shall be redeemed after 10 years only.
- For estimating the discount rate, I have used the Bond yields as on July 25, 2025. (Valuation date)
- FIMMDA Daily Spreads Matrix for Valuation of Corporate Bonds as on July 25, 2025.



## ESTIMATION OF ISSUE PRICE

### Estimation of Cash Outflow

The earning stream/ cash outflow has been fixed and provided to us by the management, the cash flows shall include the dividend paid from the date of allotment, and the redemption amount paid at redemption.

### Estimation of Appropriate Discount Rate

Since, the instruments are non-convertible, & redeemable. The instrument has been considered to be in the nature of debt, and on discussion with the management, the analysis of latest financial statements provided, I have assumed that the instrument carry similar risk as attributed to the debt instrument. Since I have not received credit rating so I have assumed "BBB-" rating.

For arriving at the appropriate discount rate for preference shares, I have taken the yield of 10 years Government of India. I have added FIMMDA Daily Spreads Matrix for Valuation of Corporate Bonds, adjusted with company specific risk.

Discount Rate Development	
10 Year ZCB Bond Yield	6.47%
Add: BBB- Spread	5.17%
Add: 25% Markup on BBB- Spread	1.29%
<b>Discount Rate</b>	<b>12.93%</b>

The expected return for preference shareholders using the above adjustments have been estimated at 12.93%, and the same has been considered as discounting rate for estimating the issue price.

### Estimation of Issue Price

The issue price has been determined by appropriating the cash flows from the discount rate computed. The computation of issue price is provided for reference.



## Maral Overseas Limited

INR in Lakhs

Year	Cashflow	PVF@ 12.93%	PV
1	277.50	0.8855	245.72
2	277.50	0.7841	217.58
3	277.50	0.6943	192.67
4	277.50	0.6148	170.60
5	277.50	0.5444	151.07
6	277.50	0.4820	133.77
7	277.50	0.4268	118.45
8	277.50	0.3780	104.88
9	277.50	0.3347	92.87
10	3,277.50	0.2964	971.30
Fair Value of RNCPSs as of 25th July, 2025			2,398.92
No. of Preference Shares			30,00,000.00
Fair Value Per Share			79.96

Thus, the fair value of 9.25% Cumulative, non-convertible, redeemable preference shares of face value of Rs 100/- each of MOL is estimated at Rs 79.96 per share.

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## CAVEATS, LIMITATIONS AND DISCLAIMERS

- i. **Specific Purpose:** Valuation analysis and its results are specific to the purpose of determining the fair value of 9.25% Non-Convertible Redeemable Preference Shares proposed to be issued by Maral Overseas Limited under Section 42 of the Companies Act, 2013 read with applicable rules thereunder. This report should not be used or relied upon for any other purpose without the express written consent of the undersigned.
- ii. **Scope and Reliance:** The valuation is based on information provided by the management of Maral Overseas Limited, publicly available data, and documents considered relevant for this engagement. While reasonable care has been taken in verifying the authenticity and accuracy of the data, the valuer does not independently audit or verify the information supplied. This report does not solicit or recommend or invite any investment proposal. Anyone dealing with the company shall use their own discretion and due diligence before making any decision in this regard.
- iii. **Valuation Date:** The valuation is as of the specific valuation date mentioned in the report. Any subsequent events have not been considered unless specifically mentioned. The value may change with time due to various factors including but not limited to economic, regulatory, and company-specific developments.
- iv. **Reliance on Information Provided:** We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us. We have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. In the course of the valuation exercise, we have obtained both oral and written data, including market, technical, operational and financial information. We have evaluated such information through a broad comparative analysis and enquiry.
- v. **Actual results may differ:** The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. The assumptions used in the preparation of this report are based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever we have not received detailed information from the management, we used our assessment of value based on experiences and circumstances of the case. Usually, in most of the cases, some events and circumstances do not occur as expected or are not anticipated. No investigation into the Company's claim to the title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



- vi. **Complete Report:** This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever.
- vii. **Liability:** In the particular circumstances of this case, we shall be liable only to the Management. We shall have no liability (in contract or under statute or otherwise) to any other party for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused other than in cases of fraud, gross negligence or willful misconduct, or on account of any natural calamities, shall be limited to the amount of fees actually received by us as laid out in the engagement letter, for such valuation work.
- viii. **Limitation on Use:** This report is confidential and is intended solely for the use of the Company and its Board of Directors, and may be shared with regulatory authorities such as the Registrar of Companies, SEBI, or other relevant agencies as required under applicable law. It should not be reproduced, distributed, or used for any other purpose without the prior written consent of the valuer. Our Valuation report should not be construed as investment advice; specifically, we do not express any opinion on the suitability of or otherwise of entering into the proposed transaction.
- ix. This Report does not look into the business reasons behind the transaction nor the likely benefits arising out of the same. In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion.
- x. **Professional Judgement and Estimates:** The valuation is based on the application of generally accepted valuation methodologies, including the Yield Method or other relevant methods suitable for preference shares. The conclusions are based on the valuer's professional judgment and analysis of the information available at the time of the valuation. Different professionals may reach different conclusions based on the same information.
- xi. **Assumptions:** This valuation is based on the assumption that the business will continue as a going concern and that there are no significant adverse changes in the market, regulatory, tax, or macroeconomic environment that could impact the valuation conclusion. It should be specifically noted that the valuation assumes the business will be competently managed and maintained over the expected period of ownership. This appraisal engagement does not entail an evaluation of management's effectiveness, nor are we responsible for future marketing efforts and other management or ownership actions upon which actual results will depend. While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the MOLs existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of MOL. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- xii. **Market Conditions and Investor Perception:** The fair value determined herein does not necessarily represent the price at which the NCRPS may actually be issued or traded, as it depends on investor perception, market demand, interest rate movements, liquidity, credit rating, and other dynamic factors. Accordingly, our valuation conclusion may not necessarily be the price at which any agreement proceeds. The final transaction price is

something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by the parties in agreeing the transaction price.

- xiii. **No Guarantee or Warranty** While all reasonable care has been taken to ensure that the facts stated in the Report are accurate and opinions given are fair and reasonable, we, in any way, shall not be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. we expressly disclaim any and all liabilities which may arise based upon the information used in this Report.
- xiv. **Conflict of Interest** We are independent of the MOL and have no current or expected interest in the Company or its assets. The fee paid for our services in no way influenced the results of our analysis.
- xv. **Legal and Tax Advice** We are not advisors with respect to accounting, legal, tax and regulatory matters. Therefore, no responsibility is assumed for matters of a legal nature.
- xvi. **Compliance and Certification:** This valuation has been carried out in accordance with the Companies (Registered Valuers and Valuation) Rules, 2017, and the International Valuation Standards (IVS) to the extent applicable.
- xvii. We assume that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, we have given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements.
- xviii. An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- xix. We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.



- xx. A draft of this report was shared with the Company, prior to finalization of report, as part of our standard practice to make sure that factual inaccuracy/omission are avoided.

Thanks & Regards

**CA Kapil Dev Dhir**

Registered Valuer

Securities and Financial Assets (SFA)

IBBI Regn. No. IBBI/RV/06/2021/14028

Date: August 01, 2025

Place: New Delhi

UDIN: 25509962BMMMLK3349



--End of the report--