To,
Board of Directors,
Goldstar Power Limited
Behind Ravi Patrolpumphigh-Way Rd At & Post -Hapa,
Dist Jamnagar 361120, Gujarat, India, 361120

10th April, 2025

Ref: Our Valuation Report of Equity Shares issued for Goldstar Power Limited for report date 26th March, 2025.

Regarding: Requirements for in-principle approval of issue of 45493500 Equity shares of Re. 1/- each issued through Preferential issue.

Dear Sir/Madam,

- **For Company Goldstar Power Limited:**
- **Regarding the observation that With respect to DCF method used in the valuation report the projected Profit after tax (PAT) figures are increasing at following rates.**

Financial Year	23-24	24-25	25-26	26-27	27-28	28-29
PAT (In crores)	4.04	9.488	12.799	16.803	21.497	27.003
% increase	-	134.85	34.9	31.28	27.94	25.61

Clarification on the same:

The projections are conclusive and provided by the management of the company. This is based on the basis of the expected Revenue and Expenditure anticipated by the management of the company. The management of the company who are running the business are the best judge to the revenue projections and EBIDTA projections of the company. Based on the which the valuation has been carried out.

Further as per response provided to us, considering the 24-25 projections, the PAT is based on the expected projects/orders with the company as represented before. Further, the company has stated they are more confidently able to project the next financial year revenue and PAT than subsequent years considering the close proximity of the year under progress.

- **It had been observed that the value derived per share under DCF method is the highest value as compared to other methods used in the valuation report however only 45% weightage is given to value derived under the DCF method whereas value derived under market approach which is less than the value derived under DCF method however same weights are assigned to both the approach. Please clarify the rationale for giving weightage.**
  Clarification on the same:

We have allocated 45% to the Discounted Cash Flow (DCF) approach because it provides a relatively greater value compared to other methods considered. The DCF approach, which focuses on the company's future cash flows, offers a more detailed and forward-looking valuation, factoring in specific financial projections.

Given that the value computed under the DCF method is higher, allocating a higher weight to this method would result in a higher valuation. This approach ensures that the final valuation reflects the underlying business fundamentals while also balancing the weightage with other relevant methodologies to provide a more comprehensive perspective.

- **For Company Red Fire Shipping and Logistics LLC:**

- **It has been observed that on DCF method under Income approach is taken for valuing the shares of the company, Asset approach and market approach is not considered. Please clarify. Kindly take all the approach for valuation of shares.**

Clarification on the same:

We have adopted the DCF method under the Income Approach as it best reflects the intrinsic value of the company based on its future cash flow potential. The Asset Approach was not considered appropriate as the company is a going concern and not asset-intensive. The Market Approach was excluded due to the lack of reliable and comparable market data. Given the company's growth prospects and ongoing operations, the DCF method provides the most accurate and relevant valuation basis.

- **Regarding the observation that at various places relevant date is mentioned as 31-May-24.**

Clarification on the same:

We have considered 31-May-2024 as the relevant date at various places in our submission, as the company may follow 31st May as its financial year-end. Using this date ensures consistency in financial reporting and aligns with internal records and policies. It also reflects the most updated financial and operational data available as of the valuation or transaction reference point. The relevant date is based on the last available financial statements for the overseas company which is 31st May 2024 and is correctly considered.

- **Regarding the observation that with respect to DCF method used in the valuation report the projected Profit after tax (PAT) figures are increasing at following rates.**

Financial Year	24-25	25-26	26-27	27-28	28-29
PAT (In AED)	27,26,104	96,50,294	1,01,17,888	1,06,18,925	1,10,82,084
% increase		254	4.85	4.95	4.36

Clarification on the same:

The projections are conclusive and provided by the management of the company. This is based on the basis of the expected Revenue and Expenditure anticipated by the management of the company.The management of the company who are running the business are the best judge to the revenue projections and EBIDTA projections of the company. Based on the which the valuation has been carried out.

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Further as per response provided to us, considering the 24-25 projections, the PAT is based on the expected projects/orders with the company as represented before. Further, the company has stated they are more confidently able to project the next financial year revenue and PAT than subsequent years considering the close proximity of the year under progress.

- **Regarding the observation that the company is mentioned as Red Fire Shipping and Logistics LLP.**

Clarification on the same:

The mention of "Red Fire Shipping and Logistics LLP" was made inadvertently in the submitted document. We acknowledge this as an oversight and confirm that the correct entity name will be used going forward. The necessary rectification will be made, and a revised version will be submitted promptly.

- **Regarding the observation that the “Shareholding Pattern as on date of valuation i.e., 31st MAY 2024”.**

Clarification on the same:

The shareholding pattern provided pertains to the position as on the date of valuation, i.e., 31st May 2024. This date was used to ensure alignment with the valuation analysis and to reflect the most updated ownership structure as of the relevant date. So the relevant date is correctly mentioned as 31.5.2024.

- **Regarding the observation that the present valuation is being done during the year as on 31st May, 2024, the proportionate value of the discounted free cash flows for the year 2023-24 is considered for the present value calculation.**

Clarification on the same:
The same is to be correctly read as FY 2024-25, Refer the amended report with the two typographical changes.

Kindly consider the above replies and responses.

Sincerely Yours

Abhinav Rajvanshi
Registered Valuer
Date: 10th April, 2025

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