

# GOLDSTAR POWER LIMITED



## VALUATION REPORT OF EQUITY SHARES

SUBMISSION TOWARDS VALUATION OF EQUITY SHARES OF THE  
COMPANY FOR THE PURPOSE OF FURTHER ISSUE

**R&A**  **valuation LLP**  
IBBI Registered Valuers

Securities & Financial Assets • Plant & Machinery • Land & Building

New Delhi | Mumbai | Jaipur | Gurugram | Chandigarh | Ahmedabad | Indore | Bengaluru | Chennai | Kolkata



**Batgach**  
& Affiliates  
A Network Approved by ICAI

**AUGUST  
2023**

# VALUATION REPORT

OF

EQUITY SHARES

*Of*



## GOLDSTAR POWER LIMITED

*Submitted to the management of the company, as a justified basis*

**AUGUST 2023**

**Prepared By**

**R&A**  **IBBI Registered Valuers**  
**valuation LLP**  
Securities & Financial Assets • Plant & Machinery • Land & Building  
New Delhi | Mumbai | Jaipur | Gurugram | Chandigarh | Ahmedabad | Indore | Bengaluru | Chennai | Kolkata  
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<http://www.rajvanshica.in/ibbi-registered-valuers.html>

# **DISCLAIMER**

The valuation exercise of Goldstar Power Limited (hereafter may be referred to as “the Company” or “GPL”) is being undertaken by Abhinav Rajvanshi at the request of Goldstar Power Limited. My report is subject to the scope and limitations detailed hereinafter. As such, the report is to be read in totality and not in parts.

The report has been based on the information provided by the company and from other sources believed to be reliable.

While the information contained herein is believed to be accurate, no representation or warranty expressed or implied is or will be made and no responsibility or liability will be accepted by us as to, or in relation to the accuracy or adequacy of information contained in this report. The opinions and recommendations in this report are provided in good faith.

The company accepts full responsibility for all the data and information pertaining to the valuation report and confirms that no material information that is vital for arriving at a decision for valuation has been suppressed or misstated while providing data / information to us.

This report has been prepared for with a limited purpose / scope, as identified / stated in the report and will be confidential and for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence of discussions with any person, except to whom it is issued and to those who are involved in the transaction and for various approvals for this transaction.

The information contained herein and our report is absolutely confidential. It is intended only for the purpose mentioned above. We are not responsible or monetarily liable to any person / party or for any decision of such person or party based on this report. Any person / party intending to invest in the company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof can be done only with our prior permission in writing.

## COVERING NOTE

To  
Board of Directors  
Goldstar Power Limited  
Behind Ravi Patrol Pump High-Way RD AT & Post -Hapa  
NA DIST Jamnagar GJ 361120 IN

17<sup>th</sup> August, 2023

**Re: Valuation Appraisal of Equity Shares issued by Goldstar Power Limited (hereinafter referred to as “GPL”) for the purpose of further issue.**

Dear Sir,

I have been engaged to estimate the fair market value of the Equity Shares issued by the entity known as Goldstar Power Limited for the purpose of further issue of said equity shares as on 31<sup>st</sup> March 2023. We have been engaged to estimate the fair market value of the Equity Shares of GPL. I have been given to understand that the company wishes to make preferential issue of equity shares.

As per the Regulation 165 of Chapter V – Preferential Issue of the SEBI (ICDR) Regulations, 2018 in case of preferential issue of shares of company whose shares are infrequently traded, price shall be determined taking into account the valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.

As per recent Amendment to Para 4 Para 4(a) of the Circular shall be replaced with the following: (a) “All listed entities are required to submit a valuation report from a Registered Amended clause -SEBI Circular dated 3 Nov 2020 enclosed Valuer.” For the purpose of this clause, the Registered Valuer shall be a person, registered as a valuer, having such qualifications and experience and being a member of an organization recognized, as specified in Section 247 of the Companies Act, 2013 read with the applicable Rules issued thereunder. Hence, the report of a registered valuer shall be required as per section 247 of the companies act, 2013 as well as SEBI Guidelines.

Calculation of Fair Value is based on the audited figures for the period ended as on 31<sup>st</sup> March 2023 and for the purposes of valuation Net Asset Value (NAV) Method, Discounted Cash Flow (DCF) Method and EBITDA Multiple Method. We certify that the Fair Value per Equity Share of GPL is Rs. 2.10/-. The workings for the same have been attached herewith as in the report. Calculation of Fair Value is based on the yearly figures for the period ended as on 31<sup>st</sup> March, 2023 (certified by the management) and for the purposes of valuation Discounted Cash Flow, Comparable Company Method and Net Asset Value Method have been adopted.

For the purpose of valuation, I was provided with the Audited Financial Statements as on 31st March 2023 and had received an explanation that there are no exceptional transactions entered by company which may affect the financial statements significantly from the period 31st March 2023 till the date of the valuation report.

Rather than preparing as self-contained comprehensive report, I have provided a restricted use limited appraisal report, which is advisory in nature and intended to be used for valuation of shares & filing necessary documents with the Registrar of Companies. Please refer to the statement of limiting conditions contained in the report. For the purpose of valuation of shares for further issue of equity shares, ***fair market value*** is defined as the expected price at which the subject business would change hands between a willing buyer and a willing seller, neither being under a compulsion to conclude the transaction and both having full knowledge of all the relevant facts.

I have appraised a fully marketable, controlling ownership interest in the assets of the subject business. The appraisal was performed under the premise of value in continued use as a going concern business enterprise.

The valuation is subject to the information provided to me as well as the assumptions and financial data which appear in the report. This report does not constitute offer or invitation to any section of the public to subscribe for or purchase any securities in or assets or liabilities of Goldstar Power Limited.

The reference date of valuation is 31<sup>st</sup> March 2023. I have no obligation to update this report or revise this valuation because of events or transactions occurring subsequent to the date of this report.

Sincerely Yours,

Abhinav Rajvanshi  
Registered Valuer  
Regn. Number: IBBI/RV/06/2019/11765  
UDIN:  
ICAIRVO Membership: ICAIRVO/06/RV-P00125/2019-2020  
ICAI Membership Number: 426357  
PAN: AGIPR6201L  
Email ID: [valuation@rajvanshica.com](mailto:valuation@rajvanshica.com)  
Valuer is Member of which Body: ICAI RVO

Place: Gurugram (Haryana)

Date: 17<sup>th</sup> August 2023

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## **I. COMPANY BACKGROUND**

### **INTRODUCTION**

Goldstar Power Limited is a Public Company incorporated on 12th July 1999. It is classified as non-govt company and is registered at Registrar of Companies, Ahmedabad. Its authorized share capital is Rs. 26,00,00,000/- and its paid-up capital is Rs. 24,07,05,000/-. It is a battery manufacturing Company, manufacturing & marketing our products under our flagship brand -**GOLDSTAR**. The product range of the company covers various types of batteries including Fully Automotive Batteries for Car, Tractor and Heavy Duty Trucks, Tubular Batteries for Inverter and Solar Application, SLI and Tubular Batteries for E-Rickshaw, SMF-VRLA Batteries for UPS Application, Motorcycle Batteries, Solar Batteries, Pure Lead and Alloy batteries.



<b><u>Corporate Information</u></b>	
CIN	L36999GJ1999PLC036274
Registration Number	036274
Company Category	Company limited by Shares
Company Sub Category	Non-govt Company
Whether listed or not	Listed
Class of Company	Public
Registered Address	Behind Ravi Patrol Pump High-Way RD AT & Post -Hapa NA DIST Jamnagar GJ 361120 IN
Company Status (for e-filing)	Active

### **DIRECTORS/KMP's OF GOLDSTAR POWER LIMITED**

1. **CHETAN VISHANDAS KHATTAR** is currently the director of Goldstar Power Limited and was appointed as a director as on 31<sup>st</sup> July 2017.
2. **AMRATLAL MOHANBHAI PANSARA** is currently the director in Goldstar Power Limited and was appointed as a director as on 12<sup>th</sup> July 1999.
3. **NAVNEETBHAI PANSARA** is currently the director in Goldstar Power Limited and was appointed as a director as on 19<sup>th</sup> January 2006.
4. **DHRUTI NAVNEET PANSARA** is currently the director in Goldstar Power Limited and was appointed as a director as on 21<sup>st</sup> December 2007.
5. **HEMRAJBHAI HANSHARAJBHAI PATEL** is currently the director in Goldstar Power Limited and was appointed as a director as on 31<sup>st</sup> July 2017.
6. **MAHESHBHAI TULSIBHAI SOJITRA** is currently the director in Goldstar Power Limited and was appointed as a director as on 24<sup>th</sup> July 2021.
7. **PRANAVKUMAR BHUPENDRABHAI PANDYA** is currently key managerial personnel in Goldstar Power Limited and was appointed as on 02<sup>nd</sup> April 2019.
8. **VIDHI ANKIT PALA** is currently key managerial personnel in Goldstar Power Limited and was appointed as on 17<sup>th</sup> January 2022.

SHAREHOLDING PATTERN AS ON DATE OF VALUATION i.e., 31st March 2023: -

**EQUITY SHARES: -**

S. No.	Name of Shareholder	No of Shares held	Face Value	% Holding
1	Promoter & Promoter Group	14,04,00,000	1	72.91%
2	Public	5,21,64,000	1	27.09%
<b>Total</b>		<b>19,25,64,000</b>		<b>100.00%</b>

On 23<sup>rd</sup> January 2023, the stock/shares were split from Rs. 10/- per share FV to Re. 1/- per share. "Approval for the allotment of Equity Shares in the ratio of 10 (Ten) Equity Shares of Re. 1/- (Rupee One only) each for every 1 (One) Equity Share of Rs. 10/- (Rupees Ten only) each held by the members as on record date 21st January, 2023 pursuant to Sub-division". Also in addition a bonus was announced in ratio 4:5 i.e. "Approval for the allotment of Bonus Shares in the ratio of 4 (Four) Equity Shares for every 5 (Five) Equity Shares held by the members as on record date 21st January, 2023. The Bonus is post-sub division".

Date	Particulars	No. of Shares
23.1.23	Opening Shares Converted to FV @ Re. 1/-	10,69,80,000
	Bonus 4:5	8,55,84,000
23.1.23	Closing as on 31 <sup>st</sup> March 2023 – Reference Date	19,25,64,000
10.6.23	Bonus 1:4	4,81,41,000
	Closing on 10 <sup>th</sup> June 2023	24,07,05,000

Issuance of fully paid -up Bonus Shares in the ratio of One (1) Fully paid -up share for every Four (4) fully paid -up shares held, subject to shareholder's approval; making the paid up capital as on 10.06.2023 as Rs. 24,07,05,000. However, since the reference valuation date for our date is 31<sup>st</sup> March 2023, we have considered the no. of shares to be 19,25,64,000.

**Determination of Frequently or Infrequently Traded**

The shares of the target company will be deemed to be frequently traded if the traded turnover on any stock exchange during the 12 calendar months preceding the calendar month, in which the PA is made, is at least 10% of the total number of shares of the target company. If the said turnover is less than 10%, it will be deemed to be infrequently traded.

Since, the shares are infrequently traded, other valuation approach and method mentioned in report shall be considered while arriving the valuation of equity shares and such securities whose value is dependent on the value of equity shares.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares (in Lakhs)	Total Turnover (Rs.in Lakhs)
Apr-22	24	28.55	23.35	26.2	4.56	116.04
May-22	25.35	25.35	24.8	24.8	0.48	12.04
Jun-22	25	29.85	24.55	29.85	8.58	218.89
Jul-22	31.3	38	31.3	37.3	2.16	77.55
Aug-22	37.5	37.9	29	31	11.22	388.75
Sep-22	30	42.3	30	42.3	1.44	46.63
Oct-22	44.4	59.25	44.4	59.25	0.78	40.08
Nov-22	62.1	89.5	62.1	81.75	3.66	278.07
Dec-22	85.5	158.55	78	156.75	4.2	430.58
Jan-23	154.95	170.5	9.45	11.35	10.02	468.17
Feb-23	11.9	13	11.8	11.9	22.5	285.41
Mar-23	11.3	11.3	8	8	10.44	114.3
<b>Total</b>					<b>80.04</b>	<b>2476.51</b>



Total Shares	1925.64
10%	192.56
Actual Traded	80.04
Condition Met	No
<b>Infrequently Traded</b>	

<https://www.nseindia.com/get-quotes/equity?symbol=GOLDSTAR>

## **II. PURPOSE OF VALUATION**

It is informed to us that shareholder of the company wishes to further issue their equity shares to other prospective investors as per the provisions of the Companies Act, 2013, Income Tax Act 1961 and rules there under and SEBI (Issue of Capital and Disclosure Requirements) and relevant rules there under and also ensuring compliance under the relevant provisions. Thus, for this purpose, I have been appointed by the company for valuation of equity shares subject to certain terms and conditions as mentioned in the report.

As per the Regulation 165 of Chapter V – Preferential Issue of the SEBI (ICDR) Regulations, 2018 in case of preferential issue of shares of company whose shares are infrequently traded, price shall be determined taking into account the valuation parameters including book value, comparable trading multiplies and such other parameters as are customary for valuation of shares of such companies. As per the provisions of the Companies (Share capital and Debentures) Rules 2014, in case of further issue of share capital the valuation of such share is required to be obtained from a Registered Valuer.

As per the Companies (Registered Valuers and Valuation) Rules, 2017, as amended, require that only a person registered with the IBBI as a registered Valuer can conduct valuations required under the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 with effect from 1st February, 2019. Considering the compliance from the Companies Act the valuation has been taken from a registered Valuer.

### **ABOUT THE ASSIGNMENT**

I have been appointed by the Goldstar Power Limited to estimate the fair market value of equity share (for the purpose of further issue of shares) on a marketable, controlling & ownership basis as on 31st March 2023.

The purpose of this appraisal is solely to provide an independent valuation opinion in order to assist the company in calculating the Fair value by most appropriate method for further issue of shares and also in filing necessary documents with the appropriate authorities as may be required. As such, this appraisal report is intended for use by the company only for the aforesaid purpose.

### **STANDARD AND PREMISE OF VALUE**

This appraisal report relies upon the use of fair market value as the standard of value. For the purposes of this appraisal, fair market value is defined as the expected price at which the subject shares of the company would change hands between a willing buyer and a willing seller, neither being under a compulsion to conclude the transaction and both having full knowledge of all the relevant facts.

The appraisal was performed under the premise of value in continued use as a going concern business enterprise. In our opinion this premise of value represents the highest and best use (HABU) of the subject business assets. However, the valuation has been preferred to be arrived by way of Discounted Cash Flow (DCF), Comparable Company Multiple (CCM) and Net Asset Value Method (NAV).

The fair value of shares has been arrived by considering the Hon'ble Supreme Court Judgment in the case of **Hindustan Lever Employee Union V/s Hindustan Lever Ltd. [(1995) 83 CC 30]** and with due regards to the erstwhile CCI formula for valuation of shares and relevant financial and market factors.

There are various methods commonly adopted for valuation of shares. These are the Net Assets Method, the Earnings Capitalization Method, the Discounted Cash flow Method, Market Price Method etc. Each method proceeds on different fundamental assumptions which have greater or lesser relevance, and at times even no relevance to a given situation. Thus, the methods to be adopted for a particular valuation must be judiciously chosen.

### SCOPE OF THE REPORT

For the purposes of our valuation, we have not carried out a due diligence exercise or any other validation procedures.

The Valuation Conducted of the Equity Share is based upon the following: -

- 1) Projections from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028.
- 2) Audited Financial Statements for the F.Y. 2022-23.
- 3) Details of the Current Shareholders.
- 4) Information / explanation obtained from the employees / management of the company.
- 5) Other relevant information.
- 6) Prices and other information of other comparable companies.
- 7) Trading Prices and Volume of the Company on NSE Emerge.
- 8) Information as Available on the Public Domain of the Company at [www.goldstarpower.com](http://www.goldstarpower.com).

This report has been provided by us and has been prepared solely for providing selected information on a confidential basis to which it is issued. We do not take any responsibility if the report is used by person other than to whom it is issued and for the purpose other than mentioned hereinabove.

### III. SOURCES OF INFORMATION

The following sources of information were used in preparing the appraisal:

- 1) Projections from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028.
- 2) Audited Financial Statements for the F.Y. 2022-23.
- 3) Details of the Current Shareholders.
- 4) Information / explanation obtained from the employees / management of the company.
- 5) Other relevant information.
- 6) Prices and other information of other comparable companies.
- 7) Trading Prices and Volume of the Company on NSE Emerge.
- 8) Information as Available on the Public Domain of the Company at [www.goldstarpower.com](http://www.goldstarpower.com)

All financial values incorporated in this Report are in INR (Indian Rupees).

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#### IV. VALUATION APPROACH

The company has engaged us to arrive at the value of equity shares of the company by way of fair value, Cost/Asset Approach, Market Approach, Income Approach (Combination of all the Methods). The objective of the valuation process is to make a reasonable judgment of the valuation of the equity share price of Goldstar Power Limited.

The standard valuation approaches and methodologies are as below:

- i. Cost/Asset Approach
  - a. Net Asset Method
- ii. Market Approach
  - a. EBITDA Multiple Method
- iii. Income Approach
  - a. Discounted Cash Flow (DCF) Method

#### V. VALUATION OF EQUITY SHARES

##### A. COST/ASSET APPROACH: NET ASSET METHOD (BOOK VALUE)

###### ABOUT THE METHOD:

Asset based method are normally based on the Net Asset Value (NAV) of the unit as on the valuation date and could be on current replacement cost basis or on the basis of book values. On a going concern basis, normally the book value of the assets is considered.

###### NAV VALUATION:

The calculation of the Net Asset Value of the Company for valuation of equity shares of the company, the net asset value is to be calculated as per the Audited Balance Sheet figures of the company for the period ending as on 31<sup>st</sup> March, 2023. *(Refer Annexure A for More Details)*

## GOLDSTAR POWER LIMITED

Audited Financial Statements as on 31st March, 2023

Net Asset Value Method (Asset Approach)

S. No.	Particulars	Amount ( in Lakhs)
<b>ASSET SIDE</b>		
<b>A</b>	<b>NON-CURRENT ASSETS</b>	
	1. Property Plant and Equipment	
	(i) Tangible Assets	1,521.33
	(ii) Intangible Assets	-
	2. Deferred Tax Assets	-
	3. Non-Current Investments	0.14
	4. Other Non-Current Assets	-
	5. Long Term Loans & Advances	92.34
	<b>Total (1 + 2 + 3 + 4 + 5)</b>	<b>1,613.81</b>

<b>B</b>	<b>CURRENT ASSET</b>	
	1. Inventories	1,251.46
	2. Trade Receivables	1,109.58
	3. Cash & Cash Equivalents	11.25
	4. Short Term Loans & Advances	462.69
	5. Other Current Assets	-
	6. Current Investments	-
	<b>Total (1 + 2 + 3 + 4 + 5 + 6)</b>	<b>2,834.98</b>
<b>C</b>	<b>Total Assets (A+B)</b>	<b>4,448.79</b>
<b>D</b>	<b>NON-CURRENT LIABILITIES</b>	
	1. Long term Borrowings	592.55
	2. Deferred Tax Liabilities (net)	131.31
	<b>Total (1 + 2)</b>	<b>723.86</b>
<b>E</b>	<b>CURRENT LIABILITIES</b>	
	1. Short Term Provisions	462.97
	2. Short Term Borrowings	722.54
	3. Sundry Creditors	47.45
	4. Others Current Liabilities	77.37
	<b>Total (1 + 2 + 3 + 4)</b>	<b>1,310.33</b>
<b>F</b>	<b>Total Liabilities (D + E)</b>	<b>2,034.19</b>
<b>G</b>	<b>Total Net Worth (Net Assets of the Company) (C-F)</b>	<b>2,414.60</b>
<b>H</b>	<b>Number of Equity Shares as on Date of Valuation</b>	
	1. Existing Shares as on 31 <sup>st</sup> March 2023	1,925.64
	<b>Total</b>	<b>1,925.64</b>
<b>I</b>	<b>Net Assets Value (G/H) per share value</b>	<b>1.25</b>

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### Notes to the above calculations:

1. We have taken the figures as per the audited balance sheet figures as on 31<sup>st</sup> March 2023. The latest balance sheet provided to us by the management as at 31<sup>st</sup> March 2023, accordingly the same has been relied for the reference date as 31<sup>st</sup> March 2023.
2. For the purpose of valuation, the management of the company has provided an explanation that there is no exceptional transaction entered by the company which may affect the financial statements significantly from the period 31<sup>st</sup> March 2023.
3. Schedules / Notes are not available; hence value has been derived on face.
4. For more details refer Annexure A of the report.

## B. INCOME APPROACH: DISCOUNTED CASHFLOWS METHOD

### ABOUT THE METHOD

DCF method uses future free cash flow projection and discounts them to arrive at a present value. It is widely used in investment finance, real estate development, corporate financial management and patent valuation.

Under DCF, free cash flow to firm or free cash flow to Equity approach is used to arrive at a valuation of company.

- **Free cash flow to firm (FCFF):** This indicates the fair value of the firm based on the value of the cash flows the business is expected to generate in the future. All future cash flows are estimated and discounted using cost of capital to give their present values. This is a measurement of the company's profitability after all expenses and reinvestment. It's the one of the benchmark s used to compare and analyses financial health.
- **Free cash flow to equity (FCFE):** This indicates the fair value of the equity based on the value of the cash flows the business is expected to generate in the future. The method involves the estimation of post-tax cash flow to equity for a projection period after consideration of reinvestment in the terms of capital expenditure, incremental working capital and debt repayment. These cash flows are then discounted at cost of equity that reflects the risk of business. **We have considered FCFE Method for Valuation.**

### DCF VALUATION OF EQUITY SHARES

A widely accepted definition of DCF is discounting of net cash flows.

#### **Net Cash Flow**

Net cash flow is defined as follows:

- After-tax business net-profit
- Plus, depreciation and amortization expense
- Plus decreases in working capital
- Plus, tax-affected interest expense
- Plus, preferred dividend payouts

Less annual capital expenditures

### TIME FRAME OF CASH FLOWS:

A problem faced in valuing a business is its indefinite life, especially where the valuation is on a going concern basis. This problem could be tackled by separating the value of the business into two time periods viz. explicit forecast period (Primary period) and post explicit forecast period (terminal period). In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period can be prepared meticulously based on the business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method.

In the present case, we have been provided with the projected working results for the next 4-5 years starting from 1<sup>st</sup> April 2023 and ending 31<sup>st</sup> March 2028.

### APPROPRIATE DISCOUNTING RATE:

Under the DCF method the time value of money is recognized by applying a discount rate to the future free cash flows to arrive at their present value. This discount rate which is applied to the free cash flows should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company / business. This is commonly referred to as the weighted average cost of capital (WACC). The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

In the present case since only equity is being valued, the cost of equity is considered as cost of capital.

As regards the cost of equity, due regard must be given to the risk-free rate of return (Yield) available to investors, which is presently around 7.32% on 10-year Government of India Bonds as on the date of valuation, and the risk premium demanded by equity investors in stock markets historically has been around 10% - 20% in India.

Accordingly, the basic minimum return expected by equity investors generally is considered at 10% - 20%. Apart from these factors it is also important to consider the following industry and company specific risk factors.

The Company is a private limited company, and its equity shares are not listed. Accordingly, there is a restriction on the transferability of these shares.

Keeping in view the various factors and non-marketability of the shares on stock exchanges, the cost of equity has been computed and the total expected return or cost of equity as on the date of valuation is 12.17% and company specific risk premium has been taken at 0.00%. Refer Annexure B for the computation of Cost of Equity. Total 12.17% has been considered as the discounting rate.

It is difficult to assume exact timing of cash inflows and outflows during a year. Hence in calculating the discounting factor, it is assumed that on average the cash flows accrue at the end of the financial year.

However, since the present valuation is being done during the year as on 31<sup>st</sup> March 2023, the proportionate value of the discounted free cash flows for the year 2023-24 is considered for the

present value calculation.

CONTINUING VALUE:

It is the value of the business's expected future cash flows beyond the explicit forecast period. Using simplifying assumptions about the company's performance during the explicit period i.e., assuming a constant rate of growth permits one to estimate the continuing value with one of the several formulas. The continuing value's formula eliminates the need to forecast the company's cash flows beyond the explicit period.

A high-quality estimate of the continuing value is essential to any valuation, because continuing value often accounts for a large percentage of the total value of the business.

On this basis, the calculation of the continuing value may be made by capitalizing the free cash flows of the year following final year in the explicit forecast period into perpetuity using an appropriate rate of return (normally the WACC factoring for an element of growth in the future years).

In the present case keeping in view the inherent volatile nature of the stock market which depends on several complex factors as explained above and the related dependent revenue of the Company, 7.00% Growth rate is considered for the terminal period.

VALUE OF DEBT

Since the method of valuation is FCFE accordingly the Cost of Capital is  $K_e$ .

*\*\*\*space has been intentionally left blank\*\*\**

**GOLDSTAR POWER LIMITED**  
**VALUATION BASED ON AUDITED RESULTS & PROJECTED FIGURES**  
**DISCOUNTED CASH FLOW METHOD BASED ON FREE CASH FLOW TO EQUITY (FCFE)**

*Amount in Lakhs*

Particulars		2023-24 <i>(Apr 23 to Mar 24)</i>	2024-25 <i>(Apr 24 to Mar 25)</i>	2025-26 <i>(Apr 25 to Mar 26)</i>	2026-27 <i>(Apr 26 to Mar 27)</i>	2027-28 <i>(Apr 27 to Mar 28)</i>	Terminal Value <i>(For Perpetuity)</i>
<b>Profit After Tax (PAT)</b>		632.02	989.60	1414.50	1919.09	2517.68	
<b>Add: Inflows</b>							
Depreciation		189.86	166.17	145.43	127.28	111.40	
Equity Infusion		0.00	0.00	0.00	0.00	0.00	
<b>Total Inflows</b>		<b>821.88</b>	<b>1155.77</b>	<b>1559.93</b>	<b>2046.37</b>	<b>2629.08</b>	
<b>Less: Outflows</b>							
Capital Expenditure		0.00	0.00	0.00	0.00	0.00	
Net Debt [Debt Repayment - New Debt]		0.00	0.00	0.00	0.00	0.00	
Incremental Working Capital (Net Amount)		619.42	910.12	1263.70	1691.33	2199.74	
<b>Total Outflows</b>		<b>619.42</b>	<b>910.12</b>	<b>1263.70</b>	<b>1691.33</b>	<b>2199.74</b>	
<b>Free Cash Flows to Equity (FCFE)</b>		<b>202.47</b>	<b>245.65</b>	<b>296.23</b>	<b>355.04</b>	<b>429.34</b>	<b>8883.00</b>
Growth Rate							7.00%
Discounting Rate per Annum	12.17%						
Discounting Rate per Month	1.01%						
No. of Months as on 31st March, 2023		12.00	24.00	36.00	48.00	60.00	
Discounting Factor		0.89	0.78	0.70	0.62	0.55	0.55
<b>Net Present Value of Cash Flows</b>		<b>179.37</b>	<b>192.81</b>	<b>205.99</b>	<b>218.73</b>	<b>234.33</b>	<b>4848.28</b>
<b>Value Available to Equity Shareholders</b>							<b>5,879.51</b>
<b>Less: Investment in equity or convertible securities by potential investors</b>							-
<b>Add: Balance of Bank as on the Date of Valuation i.e. 31st March, 2023</b>							11.25
<b>Adjusted Value for Existing Equity Shareholders</b>							<b>5,890.76</b>
<b>No. of Equity Shares (Outstanding as on 31.03.2023 of FV01/- on fully diluted basis i.e. after conversion of ESOP/CCPS)</b>							
Current as on the date of valuation i.e. 31st March, 2023							1925.64
Potential Equity Shares for convertible securities, current CCPS & ESOP (Considered Above)							0.00
<b>Total Number of Equity Shares (Diluted)</b>							<b>1925.64</b>
<b>Value Per Equity Share (Face Value Rs. 1)</b>							<b>3.06</b>



Notes to the above Calculation:

- 1) The management of the company proposed for the monthly discounting based on the number of months, with the monthly effective rate.
- 2) The projections have been provided by the management of the company and we have relied on the same while preparing the valuation report.
- 3) **The projections for the 4-5 Financial Years i.e., F.Y. 2023-24 to 2027-28 has been provided by the management of the company.** Further, the as the projections have been provided after the date of valuation, thus no multiplying factor has been considered in the valuation. Further, the projections provided by the management do not have any link to previous valuation report (if any).
- 4) For the purposes of valuation and as per the discussion of with the management of the company, the projections have been considered uniform throughout the Financial Years.
- 5) The Growth Rate of 7.00% per annum for free cash flows has been considered after the decision with the management for the perpetuity growth in cash flows of the company and after the company has reached the maturity stage.
- 6) The discounting factor of **12.17% per annum or 1.01% per month** has been considered in the valuation of equity shares. Brief calculations of discounting factor have been shown in Annexure B.

C. ENTERPRISE VALUATION THROUGH COMPARABLE COMPANIES' MARKET / TRANSACTION MULTIPLE (CCM) METHOD

The Market Price Method evaluates the value on the basis of prices quoted on the stock exchange. Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions.

COMPARABLE COMPANIES' MARKET / TRANSACTION MULTIPLE (CCM) METHOD

Under this method, value of the company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuation of listed companies and transaction valuations of listed or unlisted comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant Multiples need to be chosen carefully and adjusted for differences between circumstances. We identified listed comparable companies, based on business of GPL and thereafter screened the selected multiples based on loan book size, EBITDA, growth and profitability in comparison with GPL. We have applied the multiples such as the turnover and EBITDA for GPL to determine value of equity shares respectively under the Comparable Companies' Market Multiple method. However, due to certain limitations of this method to accurately arrive

Comparable Company Market Multiple (CCM) uses the valuation ratio of a publicly traded company and applies that ratio to the company being valued. The valuation ratio typically expresses the valuation as a function of a measure of financial performance or Book Value (e.g.,

Revenue, EBITDA, EBIT, Earnings per Share or Book Value).

A key benefit of CCM analysis is that the methodology is based on the current market stock price. The current stock price is generally viewed as one of the best valuation metrics because markets are considered somewhat efficient. 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, and profitability and accounting practices. Whereas no publicly traded company provides as identical match to the operations of a given company, important information can be drawn from the way the similar enterprises are valued by public markets. Adjustments are made to the derived multiples on account of dissimilarities with the comparable companies and strengths, weakness, and other factors peculiar to the company being valued.

## GOLDSTAR POWER LIMITED

### ENTERPRISE VALUATION THROUGH EBIDTA MULTIPLE APPROACH

#### VALUATION AS ON 31 MARCH 2023

*All Figures in Rupees in Lakhs, unless mentioned specifically otherwise*

**TABLE 1: COMPUTATION OF AVERAGE EBIDTA (in Rs.) & (in %)**

PARTICULARS	Financial Years			Remarks
	2020-21	2021-22	2022-23	
	Audited	Audited	Audited	
Turnover for the year	4206.11	4291.45	4998.30	<b>Including Revenue from Operations and Excluding Other Income</b>
Increase in Sales (in %)		2.03%	16.47%	
Earnings Before Interest, Depreciation, Taxes & Amortisation:				<b>PBT + Depreciation and Amortization Expenses + Finance Cost</b>
EBIDTA (Rs. in Lacs)	270.98	367.07	807.05	
EBIDTA (in%)	6.44%	8.55%	16.15%	
Average EBIDTA (Rs. in Lacs)			481.70	
Average EBIDTA (in%)			10.71%	

**Table 2: VALUATION OF BUSINESS**

The market value of the equity in terms of an EBIDTA multiple for companies in a similar line of business:

Name of the Company	Equity Shares in Nos.	Closing Share Price on 31.03.2023	Face value per Equity Share	EBIDTA for FY 2022-23 (Rs. in Lacs)	Market Capitalisation (Rs. in Lacs)	Market Capitalisation on Times EBIDTA	Total Revenue (in Lakhs) F.Y. 2022-23	Total PAT F.Y. 2022-23
Amara Raja Batteries Limited (Consolidated)	17,08,00,000	579.2	1	1,39,649.00	9,89,273.60	7.08	10,38,820.00	80,484.00
Exide Industries Limited	85,00,00,000	178	1	1,71,355.00	15,13,000.00	8.83	15,07,816.00	53,892.00
Indo National	3,75,00,000	295.35		2,009.11	1,10,756.25		57,202.73	-

Limited			5			55.13		757.29
HBL Power Systems Limited	27,71,95,000	95.22	1	17,045.33	2,63,945.08	15.48	1,36,867.84	9,716.54

Refer for the Selection of above Companies:

<https://www.moneycontrol.com/stocks/marketinfo/marketcap/bse/ceramicsmarblegranitesanitaryware.html>

**Table 3: Computation of (Market Capitalisation + Debt) Times EBIDTA**

Name of the Company	Market Value of Equity (Rs. in Lacs)	Share Price on 31.03.2023	Debt-as on 31.03.2023 (Rs. in Lacs)	Cash and Cash Equivalent as on 31.03.2023	EBIDTA for FY 2022-23 (Rs. in Lacs)	(Market Capitalisation + Debt) Times EBIDTA
<b>The market value of the equity in terms of an EBIDTA multiple for companies in a similar line of business ;</b>						
Amara Raja Batteries Limited (Consolidated)	9,89,274	579.20	1,652	9487.00	1,39,649.00	
Exide Industries Limited	15,13,000	178.00	27,938	13178.00	1,71,355.00	
Indo National Limited	1,10,756	295.35	13,169	508.35	2,009.11	
HBL Power Systems Limited	2,63,945	95.22	7,765	2281.6799	17,045.33	
<b>Total</b>	<b>28,76,975</b>		<b>50,524</b>	<b>25,455</b>	<b>3,30,058</b>	<b>8.79</b>
<b>Average</b>	<b>7,19,244</b>		<b>12,631</b>	<b>6,364</b>	<b>82,515</b>	<b>8.79</b>
<b>Multiple used for valuation purpose- Say</b>						<b>9.00</b>

**Table 4 : Computation of Enterprise value of Company:**

<b>Enterprise Value (Equity Value + Debt)</b> (Avg. EBIDTA * Avg. EV/EBIDTA Multiple)	481.70	X	9.00	=	<b>4,335.30</b>
<b>Less: Debt Liabilities as on 31.03.2023</b>					
Long term borrowings	592.55	Lacs			
Short term borrowings	722.54	Lacs		=	<b>1,315</b>
Add: Cash and Cash Equivalents				=	<b>11.25</b>
<b>Less: Contingent Liabilities</b>				=	<b>-</b>
<b>Less: Preference Shares</b>				=	<b>-</b>
<b>Enterprise Value of Company (for equity shareholders)</b>					<b>3,031.46</b>
No. of Equity Shares of Rs. 1 each fully paid up					1,925.64
Value of Equity Shares (per share in Rs.)					<b>1.57</b>
<b>Value of Equity Shares (per share in Rs.)</b>	<b>SAY</b>				<b>2.00</b>

**Disclaimer for above calculations:**

- The above result and P/E multiple have been arrived based on the selected listed entities by the valuer. However, it may be noted that the different value shall arrive in case of different listed companies are selected in the above poll and the value can be significantly vary.
- The value may be different if the selected comparative companies are different.  
The said value has been arrived after the assumption have been made & enlisted by the valuer.

## VALUATION APPROACH: MARKET PRICE METHOD

The equity shares of the Company are listed on NSE Emerge (SME) . Based on the trading volumes obtained from NSE website, we certify that the equity shares are infrequently traded in terms of Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations"). The shares of the Company were not frequently traded therefore we have not considered this method of valuation accordingly, CCM method has been considered.

## VI. CONCLUSION OF BUSINESS VALUE

The Fair Value of the shares of the Company has been arrived at by averaging the values arrived as per the different methods adopted.

Equal weights have been assigned for the same under Discounted Cash Flows method, Net Asset Value method and EBITDA Multiple method respectively.

The computation of the same is given by table below.

<b>GOLDSTAR POWER LIMITED</b>				
<i>Calculation of Fair Value of Equity Shares</i>				
<b>Average of Methods</b>				
<i>Based on Assumptions &amp; Calculations</i>				
<b>Method Applied</b>	<b>Applied/ Not Applied</b>	<b>Proportion</b>	<b>Value per Equity Share</b>	<b>Average Value per Share</b>
Asset Approach	Applied	33.33%	1.25	<b>0.42</b>
Income Approach	Applied	33.33%	3.06	<b>1.02</b>
Market Approach (EBITDA Multiple Approach)	Applied	33.34%	2	<b>0.67</b>
<b>Value per Equity Share</b>		<b>100.00%</b>		<b>2.10</b>

Based on the above, in our opinion the fair value of one equity share of face value of Rs.1 of the company as per fair value works out to be Rs. 2.10 each. The valuations were conducted according to the generally accepted principles and assumptions made by us in reference to taking comparable companies, methods and approaches as per internationally acceptable pricing methodologies on an arm's length basis. Therefore, we hereby based on the above calculations state that the price of Rs. 2.10/- per equity share of the Company, as derived, is in accordance with Regulation 165 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Therefore, we hereby based on the above calculations state that the price of **Rs. 2.10/-** per equity share of the Company, as derived. Please refer to the assumptions made by us, information documents made available to us while conducting the valuation and limitations and disclaimers in the report for the valuation arrived as above.

### Valuer's Notes:

While we have calculated the values of the shares of the Companies under the Asset Approach, we have considered it appropriate to give the 33.33% weightage to the same. For the present valuation analysis, having regard to the nature of the businesses of the Companies and the fact that we have been provided by the Companies with their projected financials, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of the Company, accordingly we have assigned 33.33% weightage to DCF Method considering the same as reasonable and given 33.34% weightage to Comparable Companies Market Approach as the same considers market conditions.

## **VII. LIMITATIONS / EXCLUSIONS / WARRANTIES & CAVEATS**

1. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting & tax due diligence, consulting or tax related services that may otherwise be provided by my affiliates or me.
2. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; (ii) the date of this Report and (iii) the financial statements as at 31st March 2023, and other information provided by the Management on key events after 31st March 2023 till the date of the Report.
3. An analysis of this 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 and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
4. The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheet but which will strongly influence the worth of a share/business. This is conceptual so recognized in judicial decisions.
5. Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore no single undisputed value. While I have provided our recommendation of the Valuation based on the information available to me and within the scope of our engagement, others may have a different opinion. The final responsibility for value at which the Proposed Transaction shall take place will be with the users of the report, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.
6. Valuation is based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates, and the variations may be material. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. We express no opinion as to how closely the actual results will correspond to the results projected.
7. In the course of the valuation, I was provided with both written and verbal information, including market, financial and operating data. In accordance with the terms of my engagement, I have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and was considered as part of our analysis for this Report and (ii) the accuracy of information made available to us by company SELF. In accordance with our work order

and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us.

8. I have not independently investigated or otherwise verified the data provided by Goldstar Power Limited (GPL). Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from GPL, I have been given to understand by the Management of GPL that they have not omitted any relevant and material factors about the Specified Projects. My conclusions are based on the assumptions and information given by/on behalf of GPL and reliance on public information.
9. The Management of GPL has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by GPL and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially incorrect or would not afford reasonable grounds upon which to base the Report.
10. The Report assumes that GPL complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has 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 audited/unaudited carved out balance sheet of GPL. Our conclusion of value assumes that the assets and liabilities of the company, reflected in its latest balance sheet remain intact as of the Report date. My scope of work did not include checking the adequacy of the carved out financial statements of GPL and the Specified Projects and this is the responsibility of the Management and I have assumed these to be correct.
11. I am not an advisor with respect to accounting, legal, tax and regulatory matters for the proposed transaction. This Report does not look into the business / commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. No investigation of GPL's claim to title of assets has been made for the purpose of this Report and GPL's 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.
12. The fee for the engagement is not contingent upon the results report.
13. I owe responsibility to only to GPL in pursuance of an agreement who appointed us under the terms of our work order and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor or this report to GPL or the appointee bank. In no event shall I or my team members be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of GPL, its directors, employees or agents. Unless specifically agreed, in no

circumstances shall the liability of the Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report exceed the amount paid to the Valuer in respect of the fees charged by it for these services.

14. I do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Valuation. This Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.
15. This Valuation Report is subject to the laws of India.
16. Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme, without our prior written consent except for disclosures to be made to relevant regulatory authorities including Registrar of Companies and National Company Law Tribunal and other judicial, regulatory or government authorities, in connection with the Transaction.
17. This confidential report is prepared by Abhinav Rajvanshi solely for the purpose set out in the report. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued, and the purpose mentioned herein. For the purpose of clarity, GPL may share this report with its auditors, advisors and investment bankers in the normal course of its business. I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without our written permission in each instance. The material is true only as of the date of this letter. I assuming no responsibility to update or revise the opinion based upon events or circumstances that occur later on.
18. I have prepared this report based on the information provided, explanation given, and representation made by management of company. I have neither checked nor independently verified such information and representations. I have also not factored any tax implications or any financial or tax planning which the GPL take in future. I have solely relied on explanations, information paper, reports, documents & statements provided by the management of the GPL only and accepted all that information provided to us as consistent and accurate on as "as is" basis and taken in good faith and in the belief that such information is neither false nor misleading.
19. I have prepared this report with assumption that financial statement of GPL captures all the contingent liabilities and there are no other contingent liabilities of the company.
20. This report issued on the understanding the management of GPL has drawn our attention to all matter of which they are aware concerning the financial position of the business of the GPL, which may have an impact on our report up to the date of issue. My views are necessarily based on the economic market and other conditions currently in effect. I have no responsibility to update this report for this event and circumstances occurring after the date of this report. I do no hold ourselves responsible or liable, for any losses, damages, costs, expenses or outgoing whatsoever and howsoever caused incurred, sustained and arising out of error due to false, misleading or incomplete

information or documentation being provided to us or due to any acts, or omissions of any other person.

21. Provision of valuation recommendation and considerations of the issues described herein are areas of our regular corporate advisory practice.
22. The scope of my work has been limited in terms of the purpose of valuation mentioned in this report. There may be matters, other than those noted in this report, which might be relevant in the context of any other purpose and which a wider scope might uncover. It may be noted that valuation, is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. The valuation exercise is carried out using generally accepted valuation methodology, principles, and the relative emphasis factors. The result of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the Valuer. In respect of going concern, certain valuation techniques have evolved over time and are commonly in use, which I have applied in.
23. I have no present or planned future interest in GPL and the fees for this report is not contingent upon the value reported herein. My valuation Analysis should not be construed as investment advice, specifically I do not express any opinion on the suitability or otherwise of entering into any transaction with GPL. Neither further, me nor the members of the team working on the independent valuation have directly or indirectly, through the client or otherwise shared any advisory perspective or have been influenced or undertaken advocating a management position in determining the value. I have not considered any law, regulation and taxation or accounting principle as related or applicable to target company's country. I have prepared this report as per Indian law, regulation, or accounting principle in India on the data provided to us.
24. I do not accept any liability to any third party in relation to the issue this valuation report. Neither the valuation report not its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent. I retain the right to deny permission for the same.

### **Report Submitted**

Sincerely Yours,

Abhinav Rajvanshi  
Registered Valuer  
Reg. Number: IBBI/RV/06/2019/11765  
UDIN:

Place: Gurgaon (Haryana)

**Date: 17<sup>th</sup> August 2023**

**---END OF THE REPORT---**



**ANNEXURE A**
**BRIEF DETAILS OF THE FINANCIALS USED IN THE NAV CALCULATION**

<b>GOLDSTAR POWER LIMITED</b>	
<b>Brief Balance Sheet of the Company</b>	
<i>(As per Audited balance sheet provided by the management as on 31st March, 2023)</i>	
<b>Particulars</b>	<b>Amount ( in Lakhs)</b>
<b>A. EQUITY AND LIABILITIES</b>	
<b>(I) EQUITY</b>	
1. Shareholder's Fund	
(i) Share Capital	
(a) Equity Share Capital	1,925.64
(ii) Reserves and Surplus	488.96
<b>Total Equity</b>	<b>2,414.60</b>
<b>LIABILITIES</b>	
<b>(II) NON CURRENT LIABILITIES</b>	
1. Long term Borrowings	592.55
2. Deferred Tax Liabilities (net)	131.31
<b>Total Non-Current Liabilities</b>	<b>723.86</b>
<b>(III) CURRENT LIABILITIES</b>	
1. Short Term Provisions	462.97
2. Short Term Borrowings	722.54
3. Sundry Creditors	47.45
4. Others Current Liabilities	77.37
<b>Total Current Liabilities</b>	<b>1,310.33</b>
<b>TOTAL</b>	<b>4,448.79</b>
<b>B. ASSETS</b>	
<b>(I) NON CURRENT ASSET</b>	
1. Property Plant and Equipment	1,521.33
(i) Tangible Assets	1,521.33
(ii) Intangible Assets	-
2. Deferred Tax Assets	-
3. Non-Current Investment	0.14
4. Other Non-Current Assets	-
5. Long Term Loans & Advances	92.34
<b>Total Non-Current Assets</b>	<b>1,613.81</b>
<b>(II) CURRENT ASSET</b>	
1. Inventories	1,251.46
2. Trade Receivables	1,109.58
3. Cash & Cash Equivalent	11.25
4. Short Term Loans & Advances	462.69
5. Other Current Assets	-
6. Current Investments	-
<b>Total Current Assets</b>	<b>2,834.98</b>
<b>TOTAL</b>	<b>4,448.79</b>

**BRIEF DETAILS OF THE FINANCIALS USED IN THE DCF CALCULATION**

**GOLDSTAR POWER LIMITED**

PROJECTED FIGURES PROVIDED BY MANAGEMENT OF THE COMPANY  
FOR THE FINANCIAL YEARS 2023-24 TO 2027-28

*Amount in Lakhs*

Statement of Profit & Loss						
Particulars	2022-23 (Apr 22 to Mar 23)	2023-24 (Apr 23 to Mar 24)	2024-25 (Apr 24 to Mar 25)	2025-26 (Apr 25 to Mar 26)	2026-27 (Apr 26 to Mar 27)	2027-28 (Apr 27 to Mar 28)
	Audited	Projected	Projected	Projected	Projected	Projected
<b>(I) Income: -</b>						
(a) Revenue from Operations	4,998.30	5,748.05	6,610.25	7,601.79	8,742.06	10,053.37
(b) Other Income	213.74	245.80	282.67	325.07	373.83	429.91
<b>Total Revenue</b>	<b>5,212.04</b>	<b>5,993.85</b>	<b>6,892.92</b>	<b>7,926.86</b>	<b>9,115.89</b>	<b>10,483.27</b>
<b>(II) Expenditure: -</b>						
(a) Cost of material consumed	3,346.40	3,681.04	4,049.14	4,454.06	4,899.46	5,389.41
(b) Changes in Inventories	86.72	95.39	104.93	115.42	126.97	139.66
(c) Employee Benefit Expenses	287.84	302.23	317.34	333.21	349.87	367.36
(d) Finance Cost	147.71	162.48	178.73	196.60	216.26	237.89
(e) Other Expenses	684.03	718.23	754.14	791.85	831.44	873.01
<b>Total Expenses</b>	<b>4,552.70</b>	<b>4,959.38</b>	<b>5,404.29</b>	<b>5,891.15</b>	<b>6,424.01</b>	<b>7,007.34</b>
<b>(III) EBITDA*</b>	<b>659.34</b>	<b>1,034.47</b>	<b>1,488.63</b>	<b>2,035.72</b>	<b>2,691.88</b>	<b>3,475.93</b>
<b>Less:</b> Depreciation & Amortization	158.91	189.86	166.17	145.43	127.28	111.40
<b>Less:</b> Prior Period Expense/ (Income)	-	-	-	-	-	-
<b>(IV) Profit Before Tax (PBT)</b>	<b>500.43</b>	<b>844.61</b>	<b>1,322.46</b>	<b>1,890.29</b>	<b>2,564.60</b>	<b>3,364.54</b>
<b>Less:</b> Tax						
(i) Current Tax	76.85	212.59	332.86	475.79	645.51	846.85
(ii) Deferred Tax***	50.86	-	-	-	-	-
(iii) Provision for Tax	-	-	-	-	-	-
<b>(IV) Profit / (Loss) for the Year (PAT)</b>	<b>372.72</b>	<b>632.02</b>	<b>989.60</b>	<b>1,414.50</b>	<b>1,919.09</b>	<b>2,517.68</b>

**GOLDSTAR POWER LIMITED**  
**PROJECTED FIGURES PROVIDED BY MANAGEMENT OF THE COMPANY**  
**FOR THE FINANCIAL YEARS 2023-24 TO 2027-28**

*Amount in Lakhs*

BALANCE SHEET						
Particulars	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	(Apr 22 to Mar 23)	(Apr 23 to Mar 24)	(Apr 24 to Mar 25)	(Apr 25 to Mar 26)	(Apr 26 to Mar 27)	(Apr 27 to Mar 28)
	Audited	Projected	Projected	Projected	Projected	Projected
<b>(I) Equity &amp; Liabilities</b>						
(A) Shareholder's Fund						
(i) Equity Share Capital	1,925.64	1,925.64	1,925.64	1,925.64	1,925.64	1,925.64
(ii) Reserves & Surplus	488.96	1,120.98	2,110.58	3,525.08	5,444.17	7,961.86
(a) Opening Balance	116.24	488.96	1,120.98	2,110.58	3,525.08	5,444.17
(b) Profit/ (Loss) During the Period	372.72	632.02	989.60	1,414.50	1,919.09	2,517.68
(c) Closing balance	488.96	1,120.98	2,110.58	3,525.08	5,444.17	7,961.86
(d) Share Premium	-	-	-	-	-	-
Infusion of Equity	-	-	-	-	-	-
<b>Total Shareholder's Fund</b>	<b>2,414.60</b>	<b>3,046.62</b>	<b>4,036.22</b>	<b>5,450.72</b>	<b>7,369.81</b>	<b>9,887.50</b>
(B) Non-Current Liabilities						
(i) Long-term borrowings	592.55	592.55	592.55	592.55	592.55	592.55
(ii) Deferred Tax Liabilities (Net)	131.31	137.88	144.77	152.01	159.61	167.59
<b>Total Non - Current Liabilities</b>	<b>723.86</b>	<b>730.43</b>	<b>737.32</b>	<b>744.56</b>	<b>752.16</b>	<b>760.14</b>
(C) Current Liabilities						
(i) Short Term Borrowings	722.54	794.79	874.27	961.70	1,057.87	1,163.66
(ii) Trade Payables	47.45	52.20	57.41	63.16	69.47	76.42
(iii) Short Term Provisions	462.97	509.27	560.19	616.21	677.83	745.62
(iv) Other Current Liabilities	77.37	88.98	102.32	117.67	135.32	155.62
<b>Total Current Liabilities</b>	<b>1,310.33</b>	<b>1,445.23</b>	<b>1,594.20</b>	<b>1,758.74</b>	<b>1,940.50</b>	<b>2,141.31</b>
<b>TOTAL</b>	<b>4,448.79</b>	<b>5,222.28</b>	<b>6,367.74</b>	<b>7,954.02</b>	<b>10,062.47</b>	<b>12,788.95</b>
<b>(II) Assets</b>						
(A) Non-Current Assets						
(i) Fixed Assets						
(a) Tangible assets	1,521.33	1,331.47	1,165.30	1,019.87	892.59	781.20
<b>Total Fixed Assets</b>	<b>1,521.33</b>	<b>1,331.47</b>	<b>1,165.30</b>	<b>1,019.87</b>	<b>892.59</b>	<b>781.20</b>
(ii) Deferred tax assets (net)	-	-	-	-	-	-
(iii) Non-Current Investments	0.14	0.14	0.14	0.14	0.14	0.14
(iv) Long Term Loans And Advances	92.34	92.34	92.34	92.34	92.34	92.34
<b>Total Non - Current Assets</b>	<b>1,613.81</b>	<b>1,423.95</b>	<b>1,257.78</b>	<b>1,112.35</b>	<b>985.07</b>	<b>873.68</b>

(B) Current Assets						
(i) Trade Receivables	1,109.58	1,497.93	2,112.09	2,999.16	4,213.82	5,812.97
(ii) Inventories	1,251.46	1,501.75	1,802.10	2,162.52	2,595.03	3,114.03
(iii) Cash and cash equivalents	11.25	220.28	472.82	776.29	1,138.93	1,576.25
(iv) Short term Loans & Advances	462.69	578.36	722.95	903.69	1,129.61	1,412.02
<b>Total Current Assets</b>	<b>2,834.98</b>	<b>3,798.33</b>	<b>5,109.96</b>	<b>6,841.67</b>	<b>9,077.40</b>	<b>11,915.27</b>
<b>TOTAL</b>	<b>4,448.79</b>	<b>5,222.28</b>	<b>6,367.74</b>	<b>7,954.02</b>	<b>10,062.47</b>	<b>12,788.95</b>

**GOLDSTAR POWER LIMITED**  
PROJECTED FIGURES PROVIDED BY MANAGEMENT OF THE COMPANY  
FOR THE FINANCIAL YEARS 2023-24 TO 2027-28

*Amount in Lakhs*

**Other Information**

Particulars	2022-23 (Apr 22 to Mar 23)	2023-24 (Apr 23 to Mar 24)	2024-25 (Apr 24 to Mar 25)	2025-26 (Apr 25 to Mar 26)	2026-27 (Apr 26 to Mar 27)	2027-28 (Apr 27 to Mar 28)
	Audited	Projected	Projected	Projected	Projected	Projected
(I) Non-Cash Working Capital	1,513.40	2,132.82	3,042.94	4,306.64	5,997.97	8,197.70
(II) Incremental Capital (C.Y. WC - P.Y. WC)****	-	619.42	910.12	1,263.70	1,691.33	2,199.74
(III) Capital Expenditure (Investment in Fixed Assets & Intangible Asset)	-	-	-	-	-	-
(IV) Repayment of Debt (Venture Debt)	-	-	-	-	-	-
(V) Non-Current Investments	-	-	-	-	-	-

**DETAILED CALCULATIONS OF THE DISCOUNTING FACTOR USED FOR THE VALUATION**

Particulars		Rate	Reference
Risk Free Rate	Rf	7.32%	<a href="https://countryeconomy.com/bonds/india?dr=2023-03">https://countryeconomy.com/bonds/india?dr=2023-03</a>
Average Return from Market Portfolio	Rm	13.54%	CAGR of BSE 500 (Index of Last 20 Years)
Market Risk Premium	Rm-Rf	6.22%	<a href="http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html">http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html</a>
Beta of the Industry	Beta		
Unlevered Beta of the Industry	Beta	0.78	Power
Company Specific Risk Premium		0.00%	
<b>Cost of Equity</b>		<b>12.17%</b>	
<b>Average Cost of debt</b>		<b>0.00%</b>	
<b>Tax Rate (Excluding Cess)</b>		<b>25.00%</b>	
<b>Cost of debt-Post Tax</b>		<b>0.00%</b>	
<b>Target Debt-Equity Ratio</b>		<b>Amount</b>	<b>Cost of Capital</b>
Equity	-	12.17%	
Loan	-	0.00%	
<b>WACC</b>		<b>12.17%</b>	

**Note No. 1: Calculation of Company Specific & Size Risk Premium for the Goldstar Power Limited**

Particulars of Risk Factor	Risk Factor Rating (Refer Next Annexure)	Weightage*	Co. Specific Risk Premium
1) Revenue Growth (Comparison from Projections)	0	10%	0.00
2) Financial Risk (Total Debt Ratio)	0	10%	0.00
3) Operational Risk (Fixed Costs/Revenue) **	0	20%	0.00
4) Profitability (Net Profit Margin)	0	20%	0.00
5) Industry Risk	0	10%	0.00
6) Economic Risk	0	20%	0.00
7) Customer Concentration	0	10%	0.00
<b>Company Specific Risk Premium</b>		<b>100%</b>	<b>0.00</b>

\*There is no specific criterion for allocation of weights to the risk factor as arrived through various ratios & percentage analysis. The weights are allocated purely based on the discretion of the Valuer and along a decision with the management of the company. The weights are given on the basis of relevance of a particular method to a company for the purpose of valuation. It is not always possible for the companies in the same group to be allocated same weights for same methods of valuation due to differs in asset size, prediction regarding future cash flows, stage of company, assumptions regarding going concern and strategic importance of the company being valued in the business group.

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## DETAILED CALCULATIONS OF COMPANY SPECIFIC RISK PREMIUM FOR GOLDSTAR POWER LIMITED

### COMPANY SPECIFIC RISK PREMIUM FOR GOLDSTAR POWER LIMITED

Factor Considered for Determination of Company Specific Risk	Risk Factor Rating
<p><b>(I) Revenue Growth Factor</b>            (a) The above is based on the comparison of the revenue to be generated by the company as per the projections provided by the company.            (b) Goldstar Power Limited is a 24+ years old company and as such, historical data or information is available. Thus, Financial statements provided by the management has been considered for the calculation of growth in revenue.            (c) The risk factor rating has been provided accordingly as per revenue projections provided for the next 5 years.</p>	0
<p><b>(II) Financial Risk Factor</b>            (a) The company financial risk is measured as by Total Debt Ratio i.e., Total Debt divided by Total assets of the company (Debt/Assets).            (b) As per the projections provided by the company, the company does not plan to raise debt funds in order to finance the assets and as per the explanation provided by the management of the company, there will be no major investment in the assets.            (c) As there is no clear indication of the asset value by the company accordingly minimal risk factor rating of "0" has been provided.</p>	0
<p><b>(III) Operational Risk Factor</b>            (a) The company operational risk is measured by Ratio of Fixed Cost to Revenue.            (b) The Fixed costs involves employee costs i.e fixed salaries and other various fixed costs.            (c) The ratio is calculated based on the average of projections provided by the management of the company.            (d) The average operational risk ratio on the basis of projections is approximately Nil and accordingly risk factor rating has been provided.</p>	0
<p><b>(IV) Profitability Factor</b>            (a) The factor is measured by Net Profit Margin, considering Net Profit After Tax and Revenue from Operations.            (b) The profitability factor has been considered based on the projections provided by the management of the company as in the F.Y. 2023-24, the company has good profits, is a 24+ years old company and substantial historical data is present.            (c) The average net profit margin ratio on the basis of projections is approximately high and accordingly risk factor rating has been provided.            (d) Refer the Brief Information as provided in the Annexure for the revenue &amp; profit after tax projections provided by the company.</p>	0
<p><b>(V) Industry Risk Factor</b>            (a) The Industry Risk Factor is based on the Return on Assets of firm compared to Return on Assets of Industry.</p>	

<p>(b) Industry in the above refers to other established players in the market providing similar or identical services in the market.</p> <p>(c) The factor can be calculated by ratio of the Return on Assets Ratio of the company and average RoA of the Industry.</p> <p>(d) Since no details of the assets is available, the factor has been taken minimal i.e. "0"</p> <p>(e) Refer the Brief Information as provided in the Annexure for the revenue projections provided by the company.</p>	0
<p><b>(VI) Economic Risk Factor</b></p> <p>(a) Economic Risk Factor is computed considering the GDP Change of the Country and comparing the same with Company's ROA (<i>as computed earlier</i>)</p> <p>(b) GDP Change is based on country's annual GDP Change which is usually published in Central bank's Statistics or World Bank or IMF Publications.</p> <p>(c) Annual GDP Growth Rate of India has been considered for GDP Change which is provided as per World Bank as 7.2 % for the Year 2018. <i>(Source: <a href="https://data.worldbank.org/country/india?view=chart">https://data.worldbank.org/country/india?view=chart</a>)</i></p> <p>(d) Since no details of the assets is available, the factor has been taken minimal i.e., "0"</p> <p>(e) Refer the Brief Information as provided in the Annexure for the revenue projections provided by the company.</p>	0
<p><b>(VI) Customer Concentration Factor</b></p> <p>(a) The customer concentration is considered for the calculation of company specific risk factor in order to determine rate of trade receivables of the company and whether company sales to a diversified or too few persons (including companies).</p> <p>(b) As per the projections, information and documents provided by the management of the company, the company is 24+ years old company and will be operating through the e-commerce platform.'</p> <p>(c) As such the sales will be distributed among various customers pan India basis, thus a minimal rating factor of "0" has been considered.</p>	0

### General Basis Used for Calculations Company Specific & Size Risk Premium for any Company

The company specific risk premium is considered for every company as the situation and risk involved differ due to various circumstances and factors. The factors considered for the company specific risk premium and risk factor rating from 0-10 is based on the ratio analysis of the factors affecting company in various areas. Such areas, ratios and factor rating are mentioned below: -

#### 1. Revenue Growth Factor

- The above is based on the comparison of the revenue to be generated by the company as per the projections provided by the company.
- Annual Revenue of the company is considered and compared with previous years.
- The rating is as follows: -

Revenue Growth (in Percentage)	Rating
--------------------------------	--------



8%+	0
7% < x < 8%	1
6% < x < 7%	2
5% < x < 6%	3
4% < x < 5%	4
3% < x < 4%	5
2% < x < 3%	6
1% < x < 2%	7
0% < x < 1%	8
No Growth	9
Declining Trend	10

## 2. Financial Risk Factor

- The company financial risk is measured as by Total Debt Ratio i.e. Total Debt divided by Total assets of the company (Debt/Assets).
- This factor determines the financial leverage of the company and accordingly ratings is provided.
- The rating is as follows: -

Total Debt Ratio	Rating
No Leverage	0
0% < x < 10%	1
10% < x < 20%	2
20% < x < 30%	3
30% < x < 40%	4
40% < x < 50%	5
50% < x < 60%	6
60% < x < 70%	7
70% < x < 80%	8
80% < x < 90%	9
90%	10

## 3. Operational Risk Factor

- The company operational risk is measured as by the Ratio of Fixed Cost to Revenue Ratio.
- This factor determines the operational leverage of the company and accordingly ratings is provided.
- The rating is as follows: -

Fixed Cost\Sales	Rating
No operational Leverage	0
0% < x < 10%	1
10% < x < 20%	2
20% < x < 30%	3
30% < x < 40%	4
40% < x < 50%	5
50% < x < 60%	6
60% < x < 70%	7
70% < x < 80%	8
80% < x < 90%	9
90%	10

#### 4. Profitability Factor

- This factor is based on the net profit margin of the company.
- For the purposes of the valuation Net Profit after Tax and Net Sales has been considered.
- The rating is as follows: -

As measured by profit margin	Rating
17%+	0
15% < x < 17%	1
13% < x < 15%	2
11% < x < 13%	3
9% < x < 11%	4
7% < x < 9%	5
5% < x < 7%	6
3% < x < 5%	7
1% < x < 3%	8
< 1%	9
Net Loss	10

#### 5. Industry Risk Factor

- The Industry Risk Factor is based on the Return on Assets of firm compare to Return on Assets of Industry.
- Industry in the above refers to other established players in the market providing similar or identical services in the market.
- The factor can be calculated by using the Return on Assets Ratio.
- The rating is as follows: -

Firm ROA/Industry ROA	Rating
1.8+	0
1.60-1.80	1
1.40-1.60	2
1.20-1.40	3
1.00-1.20	4
.80-1.00	5
.60-.80	6
.40-.60	7
.20-.40	8
0-.20	9
Negative Firm ROA	10

#### 6. Economic Risk Factor

- Economic Risk Factor is computed considering the GDP Change of the Country and comparing the same with Company's ROA.

- GDP Change is based on country's annual GDP Change which is usually published in Central bank's Statistics or World Bank or IMF Publications.
- The rating is as follows: -

Firm ROA/GDP Change	Rating
4.50-5.00	0
4.00-4.50	1
3.50-4.00	2
3.00-3.50	3
2.50-3.00	4
2.00-2.50	5
1.50-2.00	6
1.00-1.50	7
.50-1.00	8
.00-.50	9
Negative	10

### 7. Customer Concentration Factor

- The customer concentration is considered for the calculation of company specific risk factor in order to determine rate of trade receivables of the company and whether company sales to a diversified or too few persons (including companies).
- The rating is as follows: -

Sales of top 5 Customers/Total Sales	Rating
Less than 1%	0
1% < x < 10%	1
10% < x < 20%	2
20% < x < 30%	3
30% < x < 40%	4
40% < x < 50%	5
50% < x < 60%	6
60% < x < 70%	7
70% < x < 80%	8
80% < x < 90%	9
90%+	10

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