Valuation of equity shares of Filtron Engineers Limited as per the provisions of the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")

26th August 2025

Rashmi Shah FCA
Registered Valuer (Securities or Financial Assets) with IBBI
Registration No.: IBBI/RV/06/2018/10240

Date: 26th August 2025

To,
The Board of Directors
Filtron Engineers Limited
Plot No.36, WMDC Industrial Area,
Ambethan Road Chakan, Pune - 410501, Maharashtra, India

Dear Sirs,

Sub: Valuation of equity shares of Filtron Engineers Limited for preferential allotment

Filtron Engineers Limited ("FEL" or "the Company") intends to issue equity shares to certain investors.

In this regard, Rashmi Shah FCA, Registered Valuer with IBBI Registration No. IBBI/RV/06/2018/10240 ('RVS' or 'Independent Valuer') has been appointed to determine fair value of equity shares of FEL under Regulation 165 & Regulation 166A and 170(2) revise pricing of the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") ('SEBI ICDR Regulations') ('Valuation Purpose').

The Valuation Date as informed to us by the Management of FEL ('the Management') for computation of the value of the said equity shares to be issued by FEL is 26th August 2025 ('**Valuation Date**').

This Report is structured under the following broad heads:

- Background
- Information sources
- Valuation Standards followed and Procedure adopted for Valuation
- Valuation Methodology
- Valuation Analysis and Conclusion
- Scope Limitation
- Annexures

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

BACKGROUND

Filtron Engineers Limited

- Filtron Engineers Limited (CIN: L57909PN1982PLC026929) is a company limited by shares incorporated on 16th April 1982 under the Companies Act, 1956, with its registered office at Plot No.36, WMDC Industrial Area, Ambethan Road Chakan, Pune - 410501, Maharashtra, India.
- FEL is engaged into activities of manufacturing and selling of quality equipment and turnkey systems to the Dairy, Food, Beverage and other processing industries
- Equity shares of FEL are listed on BSE Limited ("BSE").
- The shareholding pattern of FEL as of 30th June 2025 is as under:

Particulars	**No. of shares**	**% Shareholding**
Promoter & Promoter Group	16,02,700	61.25%
Public	10,13,800	38.75%
Total	**26,16,500**	**100.00%**

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

INFORMATION SOURCES

We have relied on the following sources of information and documents as provided to us by the Management of FEL ('the Management') and available in public domain:

- Audited Financial Statements of FEL for the year ended 31st March 2025;
- Other relevant data;
- Our regular discussions with management representatives of FEL
- We have also relied on published and secondary sources of data whether or not made available by the Companies.

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

VALUATION STANDARDS FOLLOWED AND PROCEDURES ADOPTED FOR VALUATION

- We have performed the valuation analysis, to the extent possible, in accordance with ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India ('IVS'). IVS 301 on Business Valuation deals with valuation of a business or business ownership interest (i.e., it includes valuation of equity shares).
- In connection with this exercise, we have adopted the following procedures to carry out the valuation analysis:
    - Requested and received relevant data from the Management
    - Discussions with the Management on understanding of the businesses of the Company
    - Obtained and analyzed data available in public domain, as considered relevant by us
    - Obtained and analyzed market prices and other data involving equity shares of FEL and of comparable companies, as applicable and relevant
    - Selection of valuation approach and valuation methodology/ (ies), in accordance with IVS, as considered appropriate and relevant by us
    - Determination of value per equity share of FEL, as relevant
    - Preparation and issuance of this valuation report.

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

VALUATION APPROACHES AND METHODOLOGIES

- For the purpose of valuation, it is necessary to select an appropriate basis of valuation amongst the various valuation techniques. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including the size of company, nature of its business and purpose of valuation. Further, the concept of valuation is all about the price at which a transaction takes place i.e., the price at which seller is willing to sell and buyer is willing to buy. Accordingly, a fair and reasonable approach for valuing the shares of the company is to use a combination of relevant and applicable valuation methods.
- As per Regulation 165 of the ICDR Guidelines, "Where the shares of an issuer are not frequently traded, the price determined by the issuer shall take 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. Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent valuer to the stock exchange where the equity shares of the issuer are listed". In light of this Regulation, we have assessed the value of shares of the Company under various applicable valuation methodologies.

  As per Regulation 166A of the ICDR Guidelines, "Any preferential issue, which may result in a change in control or allotment of more than five percent of the post issue fully diluted share capital of the issuer, to an allottee or to allottees acting in concert, shall require a valuation report from an independent registered valuer and consider the same for determining the price.

  Provided that the floor price, in such cases, shall be higher of the floor price determined under sub-regulation (1), (2) or (4) of regulation 164, as the case may be, or the price determined under the valuation report from the independent registered valuer or the price determined in accordance with the provisions of the Articles of Association of the issuer, if applicable.
- IVS 301 read with IVS 103 specifies that generally the following three approaches for valuation of business / business ownership interest are used:
  - Cost Approach
  - Market Approach
  - Income Approach

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

Cost Approach – Net Asset Value (NAV) method

- The value under cost approach is determined based on the underlying value of the assets which could be on book value basis, replacement cost basis or on the basis of realizable value. Under NAV method, total value of the business is based either on net asset value or realizable value or replacement cost basis. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business. NAV method does not capture the future earning capacity of the business. Given the nature and specifics of the business, we have considered the NAV method to determine the value of shares of the Company.

Income Approach – Discounted Cash Flows (DCF) method

- Under the Income Approach, business is valued by converting maintainable or future amount of cash flows to a single current amount either through discounting or capitalization. DCF Method seeks to arrive at the value of the business based on its future cash flows generating capability and the risks associated with the said cash flows. FCFF or free cash flows to the firm ("FCFF") represents the cash available for distribution to both the owners and the creditors of the business. Risk-adjusted discount rate or Weighted Average Cost of Capital ("WACC") is applied to free cash flows in the explicit period and that in perpetuity. Adjustments pertaining to debt, surplus/non-operating assets including investments, cash & bank balance and contingent assets/liabilities and other liabilities, as relevant, are required to be made in order to arrive at the value for equity shareholders. The total value for the equity shareholders so arrived is then to be divided by the number of equity shares to arrive at the value per equity share of the company.

  We have not considered Discounted Cash Flows (DCF) method under the income approach due to unavailability of business projections of FEL as we understand that projections of FEL would be price sensitive information, which was therefore not made available to us.

Income Approach - Profit Earnings Capacity Value (PECV) method

- We have considered Profit Earning Capacity Value (PECV) method to determine the value of the shares of the Company. This method is used while valuing a going concern business with reasonable history of business operations and profitability. It involves determining the value based on the historical profits of the business. We have considered the PECV method to determine the value of the shares of the Company.

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

Market Approach – Market Price method

- Under the Market Price method, the market price of an equity shares as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. Generally, market value is reflective of the investors' perception about the actual worth of the company. However, in certain situations, the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. We understand that the shares are infrequently traded at BSE Limited.

- Regulation 164(5) of Chapter IV of SEBI ICDR Regulations reads as under-

  For the purpose of this Chapter, "Frequently traded shares" means shares of the issuer, in which the traded turnover on any recognized stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of the shares of the issuer.

  Explanation: For the purpose of this regulation, 'stock exchange' means any of the recognized stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90 trading days prior to the relevant date."

  The equity shares of the Company are traded on the BSE. However, as per Explanation to regulation 164(5) of the SEBI ICDR Regulations, the exchange on which higher trading volume of equity shares during the preceding 90 trading days prior to the relevant date, is recorded, is to be considered for the pricing computation.

  Since, FEL is a listed company and equity shares of FEL are traded on BSE Limited, we have considered Market Price method to determine the value of equity shares of FEL. However, the shares of the Company do not have a trading history of 240 days and the overall turnover is less than 10% of the outstanding share capital. We therefore understand that the shares of the Company are infrequently traded. We have therefore considered Market Price method as one of the methods to determine the value of equity shares of the Company and not the primary method (considering applicability). We have been informed by the Management that the valuation date to be considered 26th August 2025.

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

Market Approach – Comparable Companies' Multiple (CCM) method

- Under CCM Method, the value of shares of the subject company is determined on the basis of multiples derived from valuations of comparable companies. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. The Comparable Companies' Multiple Method arrives at the value of the company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed 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, such as growth potential, past track record, size, company dynamics, etc.
- Management has confirmed that there are no adequate comparable companies as compared to the business profile, size, etc. of the Company. We have therefore not considered CCM method. Additionally, the Company has reported inconsistent revenue from operations, thus making the method unsuitable for the said purpose.

For arriving at the value per equity share of FEL and considering valuation inputs available for determining valuation under NAV method, PECV method and Market Price, we have applied appropriate weights to arrive at the value per equity share of FEL. However, we understand that the value under PECV method is negative. We have therefore assigned 75% weightage to value under Market Price method and 25% weightage to value under NAV method.

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

SCOPE LIMITATIONS AND DISCLAIMERS

- Valuation analysis and results are specific to the purpose of valuation mentioned in this report as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date.
- We owe responsibility to only the management of the client that has retained us and nobody else. We do not accept any liability to any third party in relation to the issue of this valuation report. Our valuation report cannot be used for any other purpose. This report has been prepared only for the sole use and information of FEL. Without limiting the foregoing, we understand that FEL may be required to submit this report to the regulatory authorities / stock exchanges in connection with the Proposed Transaction.
- Our analysis is based on the market conditions and the regulatory environment that currently exists. However, changes to the same in the future could impact the company and the industry it operates in, which may impact our valuation analysis.
- We are not responsible for updating this report because of any events or transactions occurring subsequent to the date of this report.
- We have considered and relied on the information provided to us by the Management including financial information, significant transactions and events occurring subsequent to the balance sheet date. We understand that the information provided to us and the representations made to us (whether verbal or written) are reliable and adequate. We have derived our conclusions and recommendation from the information so provided and we are thus reliant on the given information to be complete and accurate in every significant aspect. We are made to believe that the Management have informed us about all material transactions, events or any other relevant factors which are likely to have an impact on our valuation recommendation.
- In the ultimate analysis, valuation will have to capture the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors which are not evident from the face of the financial statements, but which will strongly influence the worth of a share. Examples of such factors include quality and integrity of the management, capital adequacy, asset quality, earnings, liquidity, size, present and prospective competition, yield on comparable securities and market sentiment, etc. This concept is also recognized in judicial decisions.

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

- This Report does not look into the business/ commercial reasons behind the transaction. We have no present or planned future interest in the company and the fee for this engagement is not contingent upon the values reported herein. Our valuation analysis should not be construed as an investment advice. We do not express any opinion on the suitability or otherwise of entering into any transaction with the Company
- Any discrepancies in any annexure between the total and the sums of the amounts listed are due to rounding-off.

RASHMI SHAH FCA REG. NO. IBBI/RV/ 06/2018/ 10240 REGISTERED VALUER

VALUATION ANALYSIS AND CONCLUSION

- The value per equity share of FEL are based on the various approaches/ methods explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations. We have independently applied methods discussed above, as considered appropriate, i.e., Market Price method, PECV method and NAV method for determining value per share of FEL, as applicable and relevant.
- In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this Report for the proposed transaction, in our opinion, we recommend the fair value of equity shares of FEL at **INR 8.14 per equity share**, computed as below.

Valuation of equity shares of FEL

Valuation approach	Value per share (INR)	Weight (%)
Asset approach - NAV method	4.67	25.00%
Income approach - PECV method	NA	0.00%
Market approach - Market Price method	9.30	75.00%
Value per share (INR)	**8.14**	

Yours truly,

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

Rashmi Shah FCA
Registered Valuer (SFA)
IBBI Reg. No.: IBBI/RV/06/2018/10240
Place: Mumbai
Date: 26th August, 2025
ICAI UDIN: 25123478BMIPTZ8451

Enclosed:

Annexure I: *Determination of value of equity shares of FEL using NAV method;*

Annexure II: *Determination of value per equity share of FEL using Market Price method;*

Annexure III: *Determination of value per equity share of FEL using PECV Method.*

RASHMI SHAH FCA
REG. NO. IBBI/RV/ 06/2018/ 10240
REGISTERED VALUER

Annexure I – Determination of value of equity shares of FEL using NAV method

We have considered NAV method to determine the value per equity share of FEL.

Refer to the valuation workings below:

Valuation of equity shares of FEL using NAV method[1]

Particulars (Amount in INR '000s)	Book Value	Fair Value
Assets		
Property, Plant and Equipment	8,166.90	60,777.69
Inventories	2,211.35	2,211.35
Cash and Cash Equivalents	34.29	34.29
Bank Balances other than above	6.76	6.76
Loans (Deposit)	111.29	111.29
Other Current Assets	1,077.04	1,077.04
Total Assets	**11,607.63**	**64,218.42**
Liabilities		
Borrowings (Non-current)	19,932.00	19,932.00
Borrowings (Current)	18,911.29	18,911.29
Other Financial Liabilities	7,909.62	7,909.62
Other Current Liabilities	4,788.20	4,788.20
Current tax liabilities	470.00	470.00
Total Liabilities	**52,011.11**	**52,011.11**
Net asset Value	**-40,403.48**	**12207.30668**
Number of equity shares	2,616,500	2,616,500
Value per share (INR)	**-15.44**	**4.67**

Based on the above computation, in our opinion the value of equity shares of FEL is INR 4.67 per equity share for the said Valuation Purpose and as of the said Valuation Date. We have assigned 25% weightage to the value under Asset method considering this method applicable and appropriate considering specifics of the Company.

[1] Balance Sheet as of 31st March 2025 as provided to us by the Management

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

Annexure II – Determination of value per equity share of FEL using Market Price method

Valuation of equity shares of FEL using Market Price method using 3-months VWAP

Date	Total Turnover (INR)	Volume of traded shares
26 May, 2025	-	-
27 May, 2025	-	-
28 May, 2025	-	-
29 May, 2025	-	-
30 May, 2025	-	-
2 June, 2025	-	-
3 June, 2025	-	-
4 June, 2025	-	-
5 June, 2025	-	-
6 June, 2025	-	-
9 June, 2025	-	-
10 June, 2025	-	-
11 June, 2025	-	-
12 June, 2025	-	-
13 June, 2025	-	-
16 June, 2025	-	-
17 June, 2025	-	-
18 June, 2025	-	-
19 June, 2025	-	-
20 June, 2025	-	-
23 June, 2025	-	-
24 June, 2025	-	-
25 June, 2025	-	-
26 June, 2025	-	-
27 June, 2025	-	-
30 June, 2025	-	-
1 July, 2025	-	-
2 July, 2025	-	-
3 July, 2025	-	-
4 July, 2025	-	-
7 July, 2025	-	-
8 July, 2025	-	-
9 July, 2025	-	-
10 July, 2025	-	-

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

Date	Total Turnover (INR)	Volume of traded shares
11 July, 2025	-	-
14 July, 2025	-	-
15 July, 2025	-	-
16 July, 2025	-	-
17 July, 2025	-	-
18 July, 2025	-	-
21 July, 2025	-	-
22 July, 2025	-	-
23 July, 2025	-	-
24 July, 2025	-	-
25 July, 2025	-	-
28 July, 2025	-	-
29 July, 2025	-	-
30 July, 2025	-	-
31 July, 2025	-	-
1 August, 2025	7	1
4 August, 2025	-	-
5 August, 2025	735	100
6 August, 2025	-	-
7 August, 2025	-	-
8 August, 2025	-	-
11 August, 2025	-	-
12 August, 2025	-	-
13 August, 2025	-	-
14 August, 2025	-	-
18 August, 2025	-	-
19 August, 2025	-	-
20 August, 2025	-	-
21 August, 2025	882	100
22 August, 2025	1,058	100
25 August, 2025	581	50
Total	**3,263**	**351**
3-months Volume Weighted Average Price		**9.30**

The 3 month Volume Weighted Average Price is INR 9.30 per equity share. We have assigned 75% weightage to the value under Market Price method considering this method applicable and appropriate considering specifics of the Company.

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER

Annexure III – Determination of value per equity share of FEL using PECV Method

Particulars (Amounts in INR)	TM-June 2025	31-Mar-25	31-Mar-24	31-Mar-23	
Profit/(Loss) after Tax (PAT)	(5,528,060)	(2,995,710)	(3,478,920)	(5,090,530)	
Weightage	1	1	1	1	
Average Profit					(4,273,305)
PE Ratio					23.14
Capitalisation Value					(98,891,400)
No. of Equity Shares					2,616,500
Value per Share (INR)					**(37.80)**

Since, the value of equity shares under PECV method is negative, we have assigned it 0% weightage.

<<End of Report>>

RASHMI SHAH FCA REG. NO. IBBI/RV/06/2018/10240 REGISTERED VALUER