

CERTIFICATE ON WORKING CAPITAL

To,

The Board of Directors,
Vivekanand Cotspin Limited,
S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana,
Gujarat-382715, India

And

Book Running Lead Manager
Swastika Investmart Limited
Office No. 104, 1st Floor, KESHAVA Commercial Building,
Plot No.C-5, "E" Block, Bandra Kurla Complex,
Opp GST Bhavan, Bandra (East), Mumbai – 400051 (MH)

Dear Sir / Madam,

Subject: Certificate for Working Capital

Re: Proposed initial public Issue ("IPO") of equity shares of face value Rs. 10 each ("Equity Shares") by Vivekanand Cotspin Limited ("Company") ("Issue") in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), and other applicable laws, as amended.

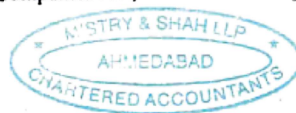
1. We, Mistry & Shah LLP, Chartered Accountants, Statutory Auditors of the Company, have been informed that the Company is in the process of filing the Draft Red Herring Prospectus with respect to the Issue (the "DRHP") with BSE SME (SME Platform of BSE) (collectively, the "Stock Exchange") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and propose to file the Prospectus subject to the in-principle approval of Stock Exchange with SEBI, Stock exchange and the Registrar of Companies and any other documents or materials to be issued in relation to the issue.
2. This certificate is issued in accordance with the terms of our engagement dated **12th August, 2026**.
3. We have been requested by the Company to verify and certify on the information given in conclusion paragraph of the certificate in connection with the details of Company's working capital as at 31st March, 2026, 31st March, 2025, 31st March, 2024 and the source of funding, on the basis of Restated Financial Statements as provided in the table below. Further, in light of the incremental business requirements, the Company requires additional working capital for funding its working capital requirements in FY 2027 and FY 2028.

Management's Responsibility

4. The preparation and presentation of the projection including the underlying assumptions, set out in **Note 1** to the prospective financial information, is the responsibility of the Management and has been approved by the Board of Directors of the company. Our responsibility is to examine the evidence supporting the assumptions (excluding the hypothetical assumption) and other information in the prospective financial information. Our responsibility does not include verification of the accuracy of the projections. Therefore, we do not vouch for the accuracy of the same.

This projection has been prepared for Draft Red Herring Prospectus; the projection has been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that this projection may not be appropriate for purposes other than that described above.

5. The Management is also responsible for ensuring that the Company complies with the requirements of the ICDR Regulations in relation to the Issue, Companies Act, 2013 and other applicable laws.



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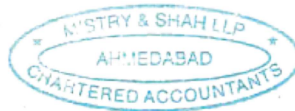
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Auditor's responsibility

6. Pursuant to the requirements, it is our responsibility for the purpose of this certificate, to obtain reasonable assurance that the matters specified in the 'Conclusion' para below are in accordance with the relevant records provided by the Company for our examination.
7. For the purpose of this certificate, we have planned and performed the following procedures:
 - a. We have traced the figures from restated financial statements as at financial years ended on March 31, 2026, March 31, 2025 and March 31, 2024 and the reports issued thereon and compared the other information from the relevant records furnished to us by the company.
 - b. Verified the arithmetical accuracy of the computation prepared by the management for the figures pertaining to the details of Company's working capital.
8. We have conducted our examination of the information provided by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Restriction on Use

10. This certificate is issued for the sole purpose of the Issue and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the ("Book Running Lead Manager") BRLM and in accordance with applicable law, and for the purpose of any defence the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Issue documents. This certificate may be relied on by the BRLM, appointed in relation to the Issue.



Conclusion

11. Based on our examination of the restated financial statements for the financial years ended on March 31, 2026, March 31, 2025 and March 31, 2024, procedures as mentioned in paragraph 7 and 8 above, books of account and records and according to the information and explanations given to us, we hereby certify the following:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2024 (Restated)	As at March 31, 2025 (Restated)	As at March 31, 2026 (Restated)
I	Current assets			
	Inventories	2,494.56	1,789.47	2,440.57
	Trade Receivables	230.83	1,522.16	1,176.73
	Short-Term Loans and Advances	24.79	388.99	136.84
	Other Current Assets	395.57	268.88	361.12
	Total Current Assets (A)	3,145.75	3,969.50	4,115.26
II	Current liabilities			
	Trade Payables	1,466.85	615.62	187.19
	Other Current Liabilities	224.30	294.66	236.16
	Short-Term Provisions	92.80	136.14	149.77
	Total current liabilities (B)	1,783.94	1,046.42	573.13
	Net working capital (A – B)	1,361.81	2,923.08	3,542.13
III	Sources of funds			
	Short-term borrowings	1,361.81	2,526.97	3,240.83
	Internal Accruals	-	396.12	301.30
	Total Means of Finance	1,361.81	2,923.09	3,542.13

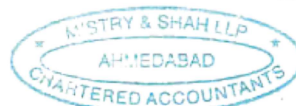
Expected working capital requirements

The estimates of the working capital requirements for the Financial Year ended March 31, 2026, March 31, 2027 and March 31, 2028 has been prepared based on the management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur.

On the basis of existing working capital requirements and estimated working capital requirements, Board pursuant to its resolution has approved the projected working capital requirements for Financial Year March 31, 2026, March 31, 2027 and March 31, 2028 with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements, as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2027(Projected)	As at March 31, 2028(Projected)
I	Current assets		
	Inventories	4,027.86	4,636.91
	Trade Receivables	1,909.30	2,335.17
	Short-Term Loans and Advances	441.87	544.38
	Other Current Assets	479.18	503.14
	Total Current Assets (A)	6,858.21	8,019.59



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II	Current liabilities		
	Trade Payables	352.38	422.89
	Other Current Liabilities	263.24	286.70
	Short-Term Provisions	273.89	335.14
	Total current liabilities (B)	889.51	1,044.72
	Net working capital (A – B)	5,968.70	6,974.87
III	Sources of funds		
	Short term borrowings from banks	4,166.92	4,356.92
	Internal accruals	1,301.78	2,017.95
	IPO proceeds	500.00	600.00
	Total Means of Finance	5,968.70	6,974.87

The table below sets forth the key assumptions for working capital projections (Holding Days):

	Holding Levels (March 31, 2024)	Holding Levels (March 31, 2025)	Holding Levels (March 31, 2026)	Holding Levels (March 31, 2027)	Holding Levels (March 31, 2028)
Particular	Restated	Restated	Restated	Projected	Projected
Trade Receivables	6	9	12	12	14
Trade Payables	10	14	4	2	3
Inventory Day	23	29	20	27	30
Working Capital Cycle	20	24	29	37	41

1) Ageing Analysis of Receivables from Related Parties

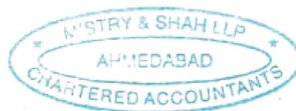
Customer Name	Nature of Transaction	Average Collection Period / Receivable Days
Ambica Cotseeds Limited	Sale of Cotton Yarn / Cotton Bales	2 – 5 Days
Vivekanand Industries	Sale of Cotton Seed / Cotton Bales	2 – 4 Days

2) Ageing Analysis of Payables to Related Parties

Supplier Name	Nature of Transaction	Average Payment Period / Payable Days
Ambica Cotseeds Limited	Purchase of Cotton Bales / Cotton Yarn	4 – 6 Days
Vivekanand Industries	Purchase of Cotton Bales	4 – 7 Days
Ambica Cotseeds Pte. Ltd.	Purchase of Cotton Bales	17 Days
Avadh Cotton Industries	Purchase of Cotton Bales	35 Days
Kapilaben Vishnubhai Patel	Purchase of Kapas (Raw Cotton)	50 Days
Kantaben Prahladbhai Patel	Purchase of Kapas (Raw Cotton)	86 Days
Bharatbhai Prahladbhai Patel	Purchase of Kapas (Raw Cotton)	86 Days

Comparison with Non-Related Parties

Particulars	Related Parties	Non-Related Parties
Average Collection Period	2 – 5 Days	10 – 13 Days
Average Payment Period	4 – 17 Days	3 – 4 Days



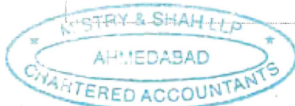
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Justification for "Holding Period" levels:

Particulars	Assumption & Justification								
Trade Receivables	The company's average debtor holding period stood at 6 days in FY2024, 9 days in FY2025, and 12 days in FY2026. Looking forward to the fiscal years 2027 and 2028, we project maintaining debtor holding periods at approximately 12 days and 14 days, respectively. The increase in debtor days from 12 to 14 days is primarily driven by the company's strategic decision to extend slightly higher credit support to customers. This approach enables the company to maintain stronger pricing power, improve customer retention, and strengthen its negotiation position in a competitive market environment. The additional credit period is being selectively provided to quality customers with established payment history and is aligned with industry practices. Management believes this supports revenue growth and long-term customer relationships without materially impacting recoverability or overall working capital quality. The increase in trade receivables from ₹230.83 lakh as at March 31, 2024 to ₹1,522.16 lakh as at March 31, 2025 and the subsequent reduction to ₹1,176.73 lakh as at March 31, 2026 is attributable to the timing of sales, the customer mix and the normal credit cycle of the business. The Company caters to both domestic and export customers. In the case of export sales, collections are generally backed by Letters of Credit (LCs) and the payment cycle normally ranges between 30 to 90 days, depending upon the agreed commercial terms, shipment schedules and banking procedures. Consequently, export sales made towards the end of the financial year remain outstanding as trade receivables as on the balance sheet date and are realized in the subsequent period. The movement in trade receivables is also reflected in the trade receivable days, which remained at a reasonable level throughout the review period: <table><tr><th>Particulars</th><th>FY 2024</th><th>FY 2025</th><th>FY 2026</th></tr><tr><td>Trade Receivable Days</td><td>6 Days</td><td>9 Days</td><td>12 Days</td></tr></table> Even though the absolute value of trade receivables increased during the review period, the trade receivable days increased only from 6 days to 12 days, which continues to be well within normal industry parameters considering the Company's increasing export business and the customary credit period applicable to export transactions. We had reviewed the ageing of trade receivables and subsequent realizations and confirms that the trade receivables are considered good and recoverable in the ordinary course of business. Accordingly, the increase in trade receivables represents a normal consequence of the Company's business growth, higher export sales and year-end sales pattern and does not indicate any deterioration in credit quality, collection efficiency or liquidity position of the Company.	Particulars	FY 2024	FY 2025	FY 2026	Trade Receivable Days	6 Days	9 Days	12 Days
Particulars	FY 2024	FY 2025	FY 2026						
Trade Receivable Days	6 Days	9 Days	12 Days						
Trade Payables	The Company's average trade payables holding period stood at 10 days in FY 2024, 14 days in FY 2025, and 4 days in FY 2026. The variation in payable days during the historical period was primarily attributable to changes in procurement patterns, timing of raw material purchases, and the Company's payment practices with suppliers. For the projected fiscal years ending March 2027 and March 2028, the trade payables holding period is estimated at approximately 2 days and 3 days, respectively. The Company intends to maintain relatively lower payable days as part of its procurement and supplier relationship strategy. The lower credit period is aligned with the Company's practice of ensuring timely payments to key suppliers in order to secure favorable pricing								



terms, maintain uninterrupted supply of raw materials, and strengthen long-term commercial relationships.

For the projected fiscal years ending March 2027 and March 2028, the inventory holding period is estimated at approximately 27 days and 30 days, respectively. The projected increase is primarily attributable to the Company's strategy of maintaining inventory equivalent to approximately one month of operational requirements. This approach is intended to mitigate the impact of fluctuations in raw material prices, reduce procurement-related supply disruptions, and ensure continuous availability of materials for production and timely fulfilment of customer orders.

Historically, the Company maintained inventory levels of approximately 20 days; however, frequent procurement from the open market exposed the business to raw material price volatility. Accordingly, the proposed inventory levels are expected to enhance supply chain stability, improve operational efficiency, and support business continuity.

Inventory Day

During the fiscal years ended March 2024, March 2025, and March 2026, the Company maintained inventory holding periods of 23 days, 29 days, and 20 days, respectively. The inventory cycle remained within a manageable range during these periods, reflecting efficient inventory management practices and effective alignment of procurement activities with production and sales requirements. The increase in inventory holding period during FY 2024-25 was primarily due to higher stocking of raw materials and finished goods to ensure uninterrupted operations and timely execution of customer orders.

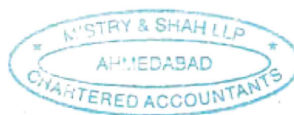
For the projected fiscal years ending March 2027 and March 2028, the inventory holding period is estimated at approximately 27 days and 30 days, respectively. The projected increase is primarily attributable to the Company's strategy of maintaining inventory equivalent to approximately one month of operational requirements. This approach is intended to mitigate the impact of fluctuations in raw material prices, reduce procurement-related supply disruptions, and ensure continuous availability of materials for production and timely fulfilment of customer orders.

Historically, the Company maintained inventory levels of approximately 20 days; however, frequent procurement from the open market exposed the business to raw material price volatility. Accordingly, the proposed inventory levels are expected to enhance supply chain stability, improve operational efficiency, and support business continuity.

We have carried out our examination of the prospective financial information on a test basis. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projection, assuming the assumption stated in (Note 1) above.

Further, in our opinion the projection is properly prepared on the basis of the assumptions to the Prospective Financial Information and on a consistent basis with the historical financial statements, using appropriate accounting principles. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.

We further state that Actual results are likely to be different from the prospective financial information since anticipated events frequently do not occur as expected and the variation could be material. Likewise, when the prospective financial information is expressed as a range, it would be stated that there can be no assurance that actual results will fall within the range; and



Mistry & Shah ^{L L P}

Chartered Accountants

In the case of a projection, the prospective financial information has been prepared for (intended use), using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that the prospective financial information should not be used for purposes other than the above mentioned intended use.

This letter is for your information & record.
Thanking You,

Yours sincerely,

Mistry & Shah LLP,
Chartered Accountants
FRN: W100683



CA Kunal Soni
Partner,
Membership No.: 192451
UDIN: 26192451LZRIQI5133

Date: 14th August, 2026
Place: Ahmedabad