

CERTIFICATE ON BASIS OF ISSUE PRICE

To, The Board of Directors Vivekanand Cotspin Limited, S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana, Gujarat-382715, India	To, Book Running Lead Manager Swastika Investmart Limited Office No. 104, 1 st Floor, KESHAVA Commercial Building, Plot No.C-5, "E" Block, Bandra Kurla Complex, Opp GST Bhavan, Bandra (East), Mumbai – 400051 (MH)
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(Swastika Investmart Limited is hereinafter referred to as the "Book Running Lead Manager" or "BRLM")

Dear Sir / Madam,

Subject: Certificate for basis of issue price

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

We, hereby certify that, as on the date of Draft Red Herring Prospectus, VIVEKANAND COTSPIN LIMITED having its registered office at S.No. S/No 181/1, 182/1, At Rangpurda, Kadi, Mahesana, Gujarat-382715, India has complied with the following eligibility norms for Listing on BSE SME:

QUALITATIVE FACTORS

- Forward Integration;
- Cost effective production and timely fulfillment of orders;
- Scalable Business Model;
- Quality Focus and
- Experienced Promoter.

For details of qualitative factors, please refer to the paragraph "Our Business Strengths" in the chapter titled "Business Overview" beginning on page no. __ of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1. Basic & Diluted Earnings Per Share (EPS) :

Financials Year/Period	Basic and Diluted EPS (in ₹)#	Weighted Average
Financial Year ending March 31, 2026	2.45	3
Financial Year ending March 31, 2025	3.30	2
Financial Year ending March 31, 2024	2.24	1
Weighted Average	2.70	

Notes:

- *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.sum of (EPS x Weight) for each year /Total of weights.*
- *Basic and diluted EPS are based on the Restated Financial Statement.*
- *The face value of each Equity Share is ₹ 10.*



- Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares during the respective year/period.
- Earnings per Share calculations are in accordance with the notified Accounting Standard 20 'Earnings per share'

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●]/- to ₹ [●]/- per Equity Share

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
P/E ratio based on Basic EPS for Fiscal 2026	[●]	[●]
P/E ratio based on Diluted EPS for Fiscal 2026	[●]	[●]

*To be updated at Prospectus stage.

Note: Price / earning (P / E) ratio is computed by dividing the price per share by earnings per share.

Industry Peer Group P/E ratio

Particulars	Industry P/E (Number of times)
Industry	
Highest	22.11
Lowest	9.52
Average	15.81

3. Return on Net Worth (RoNW):

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2026	15.96%	3
Financial Year ended March 31, 2025	26.09%	2
Financial Year ended March 31, 2024	11.72%	1
Weighted Average	18.63%	

Notes:

- RoNW is computed as net profit after tax divided by the average net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RONW x Weight) for each year / Total of weights
- The figures disclosed above are based on the Restated Financial Statements.

4. Net Asset Value per Equity Share:

Particulars	NAV per equity share (₹)
Financial Year ended March 31, 2024	13.75
Financial Year ended March 31, 2025	11.51
Financial Year ended March 31, 2026	17.81
After the Completion of the Issue:	
- At Floor Price	[●]
- At Cap Price	[●]
Issue Price per equity share	[●]

Notes:

- Net Asset Value per Equity Share is calculated as total equity divided by the number of equity shares outstanding during the respective year/period.
- The figures disclosed above are based on the Restated Financial Statement.



5. Comparison with Peer Group Companies:

Following is the comparison with our peer companies in India:

Name of the Company	Face value (₹)	For the year ended March 31, 2026					
		Revenue from operations (₹ in Lakhs)	Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	Return on average net worth (%)	NAV per Equity Share (₹)
Vivekanand Cotspin Limited	10	40,801.01	2.45	2.45	[•]	15.96%	17.81
Peer Group							
Deepak Spinners limited	10	53,416.00	5.06	5.06	22.11	1.60%	319.10
Lagham Spintex Limited	10	60,498.05	8.14	8.14	9.52	11.23%	76.60

Source: All the financial information for listed industry peers mentioned above is on a Standalone basis sourced from the Annual Reports of the peer company uploaded on the BSE website for the year ended March 31, 2026.

Notes:

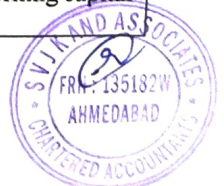
1. P/E Ratio has been computed based on the closing market price of equity shares on the BSE website on May 29, 2026, divided by the Diluted EPS for the period ended March 31, 2026.
2. RoNW is computed as net profit after tax divided by the average net worth. Net worth has been computed as sum of share capital and reserves and surplus.
3. NAV is computed as the closing net worth divided by the number of equity shares outstanding.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue and Offer for sale as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹ Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ Lakhs)	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus interest costs divided by total assets less current liabilities.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.



Financial KPI of our Company:**(Rs. In Lakhs)**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue From operations (₹ in Lakhs)	40,801.01	36,593.38	35,738.81
Total revenue (₹ in Lakhs)	40,932.15	36,651.25	35,801.62
EBITDA (₹ in Lakhs)	1,509.31	1,458.92	1,459.46
EBITDA Margin (%)	3.70%	3.99%	4.08%
Profit after tax (₹ in Lakhs)	368.78	494.29	335.33
PAT Margin (%)	0.90%	1.35%	0.94%
Return on Equity (ROE) (%)	15.96%	26.09%	11.72%
Return on Capital Employed (ROCE) (%)	13.14%	12.16%	13.41%
Debt To Equity Ratio	1.56	3.17	1.94
Current Ratio	1.09	1.12	0.79
Net Capital Turnover Ratio	12.62	17.08	19.06

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- EBITDA is calculated as profit before tax plus depreciation & amortization expense, Exceptional Items and interest costs minus other income.
- EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.
- Return on equity (RoE) is equal to profit after tax for the year divided by the average total equity during that period and is expressed as a percentage.
- Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus interest expenses divided by Capital Employed. *Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
- Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our average working capital (i.e., current assets less current liabilities).

Operational KPI of our Company:**Details of Capacity Utilization****(Quantity in Metric Tonnes)**

Product name	Existing	FY 23-24		FY 24-25		FY 25-26	
	Total Installed Capacity	Production	% of Utilization	Production	% of Utilization	Production	% of Utilization
Cotton Bales	8,000	6,556	81.94%	6,801	85.01%	7,425	92.82%
Cotton Yarn	4,551	3,703	81.38%	3,415	75.05%	3,051	67.05%



Particulars	Vivekanand cotspin Limited			Deepak Spinners Limited			Lagnam Spintex limited		
	As of and for the Fiscal			As of and for the Fiscal			As of and for the Fiscal		
	2026	2025	2024	2026	2025	2024	2026	2025	2024
Revenue From operations (₹ in Lakhs)	40,801.01	36,593.38	35,738.81	53,416.0	52,406.7	47,097.8	60,498.05	60,556.46	43,750.24
Total revenue (₹ in Lakhs)	40,932.15	36,651.25	35,801.62	53,862.0	52,636.4	47,377.8	60,523.19	60,593.64	43,778.98
EBITDA (₹ in Lakhs)	1,509.31	1,458.92	1,459.46	2,010.0	504.9	2,207.4	6,683.69	6,530.44	4,507.86
EBITDA Margin (%)	3.70%	3.99%	4.08%	3.76%	0.96%	4.69%	11.05%	10.78%	10.30%
Profit after tax (₹ in Lakhs)	368.78	494.29	335.33	364.0	-1,019.0	130.3	1,438.98	1,285.47	1,457.32
PAT Margin (%)	0.90%	1.35%	0.94%	0.68%	-1.94%	0.28%	2.38%	2.12%	3.33%
Return on Equity (ROE) (%)	15.96%	26.09%	11.72%	1.60%	-4.43%	0.55%	11.23%	11.19%	13.38%
Return on Capital Employed (ROCE) (%)	13.14%	12.16%	13.41%	1.15%	-4.45%	1.83%	9.40%	9.23%	6.99%
Debt To Equity Ratio	1.56	3.17	1.94	0.13	0.16	0.18	2.64	3.21	0.05
Current Ratio	1.09	1.12	0.79	2.84	2.35	2.51	5.79	7.97	2.11
Net Capital Turnover Ratio	12.62	17.08	19.06	6.28	6.45	5.19	3.11	3.02	0.27

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- EBITDA is calculated as profit before tax plus depreciation & amortization expense, exceptional items and interest costs minus other income.
- EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.
- Return on equity (RoE) is equal to profit after tax for the year divided by the average total equity during that period and is expressed as a percentage.
- Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
- RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus interest expenses divided by Capital Employed. * Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.



i) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our average working capital (i.e., current assets less current liabilities).

** All the information for the listed industry peer mentioned above is on a standalone basis and is sourced from their respective audited financial statements.



(a) **GAAP Financial measures**

GAAP Financial measures are numerical measures which are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Accounting Standards ("AS") or Accounting Standards ("AS") notified in accordance with Section 133 of the Companies Act, 2013, as amended (the "Act"). These measures are generally disclosed in the financial statements of the issuer company. Several GAAP Financial measures are given below:

Particulars	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from operations	40,801.01	36,593.38	35,738.81
Profit after Tax	368.78	494.29	335.33
Cash Flows from Operating Activities	866.64	-371.96	2,440.04
Cash Flows from Investing Activities	-126.84	3.59	-1,543.89
Cash Flows from Financing Activities	-733.20	381.12	-988.79
Cash and Cash Equivalents	29.75	23.16	10.40

(b) **Non-GAAP Financial Measures**

Non-GAAP Financial measures are numerical measures of the issuer Company's historical financial performance, financial position, or cash flows that:

Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or

Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented.

Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non- GAAP Financial measures are items which are not defined under AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. Several Non-GAAP Financial measures are given below:

Particulars	For the year/period ended		
	31-Mar-26	31-Mar-25	31-Mar-24
EBITDA	1,509.31	1,458.92	1,459.46
EBITDA Margin	0.04	0.04	0.04
Profit after Tax Margin	0.90%	1.35%	0.94%
Net Worth	2,893.57	1,726.46	2,062.49

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021 has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies:

Particulars	For the year/period ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Current Ratio	1.09	1.12	0.79
Debt-Equity Ratio	1.56	3.17	1.94
Return on Equity Ratio (in %)	15.96%	26.09%	11.72%
Net profit ratio (%)	0.90%	1.35%	0.94%
Return on Capital employed (%)	13.14%	12.16%	13.41%



Weighted average cost of acquisition ("WACA"), floor price and cap price

Primary Transactions:

Price per share of Issuer Company based on primary / new issue of shares (equity/convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of filing of the DRHP, where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-Issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

Date of allotment	Nature of allotment	Number of equity shares Allotted (A)	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Total Consideration (₹ in lakhs) (B)
25 th March, 2026	Right Issue	12,50,000	10.00	64.00	Cash	800.00
Weighted average cost of acquisition (WACA) (B/A)						64.00

b. Secondary Acquisition:

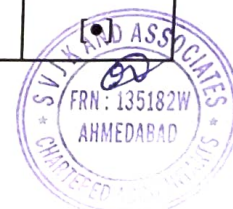
There have been no secondary sale/transfers or acquisition of any Equity Shares or convertible securities, where the Promoters, members of the Promoter Group, or Shareholders having the right to nominate Directors to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c. Except as disclosed below there were no such other primary issuances / secondary transactions except as provided in (a) and (b) to be informed under this section based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions.

Date of allotment /Transaction	Nature of allotment	Number of equity shares Allotted /Transferred	Name of Transferor	Name of Transferee	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Total Consideration (₹ in lakhs)
2 nd August 2024	Subscribers to MOA	1,50,00,000	-	-	10.00	10.00	Cash	1500.00
30 th September 2024	Transfer of shares	100	Vishnu bhai	Preet	10.00	10.95	Cash	0.01
		100	Bharat bhai	Ranjanaben	10.00	10.95	Cash	0.01
Weighted average cost of acquisition (WACA)								10.00

a. Weighted average cost of acquisition (WACA) compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [•])	Cap price* (i.e. ₹ [•])
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities),	64.00	[•]	[•]



Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [•])	Cap price* (i.e. ₹ [•])
excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.			
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	NA	[•]	[•]
Except as disclosed below there were no such other primary issuances / secondary transactions except as provided in (a) and (b) to be informed under this section based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions.	10.00	[•]	[•]

M/s. S V J K AND ASSOCIATES
Chartered Accountants
Firm's Registration No: 135182W

Reeturaj

Reeturaj Verma
Partner
Membership No. 193591
UDIN: 26193591LFMPHA2194



Place: Ahmedabad
Date: 04th June, 2026