



VALUATION REPORT

Fair Value of Equity Shares of
VIVEKANAND COTSPIN LIMITED
as on February 28, 2026

By



akasam Consulting Private Limited
(SEBI Regn. No. MB / INM000011658 under SEBI (Merchant Bankers) Regulations, 1992)

akasam consulting private limited

"akasam" 10-1-17/1/1, level 3 & 4, masab tank, hyderabad 500 004
Ph. : +91-40-66444955 Fax : +91-40-2333 5511

e-mail : info@akasamconsulting.com
url: www.akasamconsulting.com

Bengaluru:

Tel : +91-80-65830668
Cell : +91-9742766299

Vizag :

Tel : +91-891-6502030, 31
Cell : +91-9177551164

Mumbai:

Cell : +91-91810854414

CIN No. U74140TG2000PTC035024

March 12, 2026

To
The Board of Directors
VIVEKANAND COTSPIN LIMITED
S/no 181/1, 182/1, At Rangpurda, Kadi, Mahesana-382715, Gujrat.

Dear Sir,

VALUATION OF THE EQUITY SHARES OF VIVEKANAND COTSPIN LIMITED

We, akasam consulting private limited ('akasam') have been appointed by **VIVEKANAND COTSPIN LIMITED** ('VCL' or 'the Company'), to undertake the Valuation of Equity shares of the company as on February 28, 2026 (Valuation Date). We have been approached by the management to arrive at the fair value of Equity shares of the company on the said Valuation Date for the purpose of complying with the Income Tax Act, 1961 read with Rule 11UA of the Income Tax Rules, 1962.

We herewith enclose our report for the said purpose.

We appreciate the co-operation received by us from your executives during this assignment.

Thanking you

For **akasam consulting private limited**

M.P. Naidu



M P Naidu
Vice President & Compliance Officer

CONTENTS

- I. TERMS OF REFERENCE
- II. BACKGROUND OF THE COMPANY
- III. INFORMATION RELIED UPON BY US
- IV. METHODS OF VALUATION
- V. VALUATION OF EQUITY SHARES OF VCL
- VI. DISCLAIMER
- VII. ACKNOWLEDGEMENT



I. TERMS OF REFERENCE

VIVEKANAND COTSPIN LIMITED ("VCL" or the "Company") is currently a Public Limited Company incorporated under the provisions of Companies Act, 2013 and the Certificate of Incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre bearing CIN No. U13111GJ2024PLC154066 .

The Company is contemplating rights issue of shares. In this context management of the company have approached and appointed us, i.e., akasam consulting private limited ("akasam") in the capacity as a Merchant Banker for valuation of Equity shares of the company vide offer letter dated 19th February 2026 for the purpose of complying with applicable provisions of Income tax act 1961 and rules made there under.

II. BACKGROUND OF THE COMPANY

Company background in Management words:

Our company is engaged in the business of cotton processing and yarn manufacturing sector by way of Ginning of cotton and spinning of cotton yarn along with its trading. The products manufactured at our Company include Cotton bales, cotton seeds and Cotton yarn. The company operates in two primary areas: cotton ginning and spinning. In the ginning process, it separates cotton fibers from seeds, which is the first step in preparing raw cotton for textile production. Following this, the company focuses on spinning, where the clean cotton fibers are turned into yarn. This yarn, produced in various counts and quality grades, is used by textile mills for weaving and knitting fabrics.

Our Company was originally formed and registered as Limited Liability Partnership Firm under the name and style of Vivekanand Cotspin LIMITED LIMITED Act bearing Registration no. AAE-4147 pursuant to Certificate of Incorporation dated July 21, 2015 issued by Registrar, Gujarat, Dadra and Nagar Haveli. Thereafter, it was converted in to a Private Limited company in the name and style Vivekanand Cotspin Private Limited of pursuant to the provisions of Companies Act, 2013 and fresh a certificate of Incorporation dated August 5, 2024 was issued by Registrar of Companies, Central Registration Centre bearing CIN No. U13111GJ2024PTC154066. Subsequently our Company was converted into Public Limited Company pursuant to a resolution passed by our Shareholders at an Extra Ordinary General meeting held on December 02, 2024 and consequently the name of our company was changed from Vivekanand Cotspin Private Limited Vivekanand Cotspin Limited vide fresh certificate of incorporation dated December 16, 2024 issued by the Registrar of Companies, Central Processing Centre.



Capital Structure:

Particulars	Amount
Authorized Eq. Share Capital (Nos.)	2,50,00,000
Issued Capital (Nos.) as on 31.03.25	1,50,00,000
Face value (Rs.)	10
Issued Capital (Rs.) as on 31.03.25	15,00,00,000
Securities Premium (Rs.) as on 31.03.25	-
R&S (Rs.) as on 31.03.25	2,25,88,000
Net Worth (Rs.) as on 31.03.25	17,25,88,000

III. INFORMATION RELIED UPON BY US

3.1 We have prepared our Valuation Report on the basis of the following information:

- (a) Audited Financial Statements for the period ended 31st March, 2025.
- (b) Financial Projections for the period from FY 2025-2026 (March) to FY 2029-2030.
- (c) Discussions with and explanations given by the management / senior executives of the company on various issues; and
- (d) Information available from the public domains like bond yields, market return etc.

IV. METHODS OF VALUATION

4.1 There are several methods for valuing the shares of a company, such as:

- (a) Capitalization of Earnings Method;
- (b) Asset based valuation method:
- (c) Market Price of Share Method;
- (d) Multiple based valuation techniques: Price/Earning (P/E), Enterprise Value/Earnings Before Interest, Tax, Depreciation & Amortization (EV/EBITDA) and Market Capitalization/Revenue Multiple Method; and
- (e) Discounted Cash Flow ('DCF') Method.



Each of these methods has its suitability, depending upon the facts of the case and the objectives of the valuation. For the sake of ready reference, these methods are explained below in brief.

(a) Capitalization of Earnings Method

- (i) For valuing a business on a Going Concern Basis, what is more relevant is the earning capacity of the company because the business undertaking is a profit-making apparatus and hence its value depends upon its earning capacity. This method capitalizes the earnings of the company at an appropriate capitalization rate to arrive at the value of the business of the company.
- (ii) This method is more suitable for a company, which has a steady trend of profits rather than for a company which has a different pattern of profit or has reported losses. Hence, we have not adopted the same.

(b) Assets Based Valuation Method

- (i) The Assets Based Valuation also known as NAV method may be arrived at either by taking the book value of the asset or the replacement value of the asset.
- (ii) The NAV method is a simple way to calculate the value of a business by subtracting its total liabilities from its total assets.
- (iii) The assets include both tangible and intangible assets, such as property, equipment, inventory, patents, trademarks, and goodwill. The liabilities include both short-term and long-term obligations, such as loans, accounts payable, taxes, and pensions. The resulting figure is the net asset value, which represents the equity of the business.
- (iv) NAV Method is objective and transparent, as it does not involve subjective assumptions or projections.
- (v) It is appropriate for businesses that are not profitable or have unstable cash flows, as it does not depend on earnings or growth potential. Hence, we have not adopted this method.

(c) Market Price of Share Method

Under this method, the price of the shares of the company quoted on a recognized stock exchange forms the basis for valuation. Since VCL is not a



Valuation of VCL

listed company, we have not considered this to calculate the fair value of the shares of VCL.

(d) Multiple-based Valuation Techniques:

- (i) Under this method, one of the valuation parameters such as Earnings Per Share ('EPS'), Revenue and EBITDA of the company is determined and thereafter, is multiplied by a suitable Multiple, determined either based on an average of its close peers or based on the specific sector average. The resultant figure gives the Value per Share. Generally, this method is suitable for a company, which can be compared to listed company with a similar scale of operation and other critical financial parameters.
- (ii) Since there are no listed comparable available, we have not used this method for valuation.

(e) Discounted Cash Flow Method

This method values the equity on the basis of its future cash flows. However, under this method, instead of using the Future Maintainable Profits after Tax as the basis of valuation, the valuation is made by using the Free Cash Flows and it has two components as follows:

- (i) Discounted value of Free Cash Flows of the company for the Explicit Forecast Period of, *say*, 5 years; and
- (ii) Terminal Value (value after the explicit forecast period).

This method is suitable for the Company as the industry in which the Company operates depends heavily on future profitability and cash flows. We have adopted DCF method for valuation.

V. VALUATION OF EQUITY SHARES OF VCL

For valuing the shares of VCL, we have adopted the Discounted Cash Flow method using the Free Cash Flow to Equity as the representative cash flow.

Under this method, the valuation comprises of 2 components as described below.

1. The free cash flows of the Company for the explicit forecast period (which in this case is for from FY 2025-26 to FY 2029-30. Based on elaborate discussions with the representatives of the Company, we believe that the financial projections furnished by them are reasonable



Valuation of VCL

and could be relied upon for calculation of fair value per share under the DCF method.

2. The terminal value of the Company at the end of 2029-30.

The discount rate assumed is Cost of Equity Capital (ke)

The present value of the free cash flows and the terminal value have been calculated by using a suitable discount factor. The sum of the present values of the free cash flows to equity and the terminal value gives the fair value of the business.

Please refer below for the calculations of the Fair Market value per Equity Share:

Weighted Average Cost of Capital			
<u>Cost of Equity:</u>	Risk Free Return	Beta	Equity Risk Premium
	6.50%	1.00	8.75%
Cost of Equity	15.25%		
<u>Cost of Debt:</u>	-	Interest Rate	Tax
			25.00%
Cost of Debt (Net of Tax)		0.00%	
Debt - Equity Ratio			
Weightage of capital		Debt 0.00	Equity 1.00
WACC			15.25%
Add: Additional Premium			
Liquidity premium			5.00%
Lack of Management control			0.00%
Project Specific risk			0.00%
Business Risk			0.00%
Others			0.00%
Adjusted WACC			20.25%



Valuation of VCL

Particulars	%	Source
Risk Free rate % (Rf)	6.50%	10-year Govt. Security rate
Market rate of return % (Rm)	15.25%	As per Computation
Beta for comparable companies (β)	1.00	
Rate as per CAPM	20.25%	
Perpetuity growth rate	5.0%	
Total no. of Equity Shares	1,50,00,000	As per Computation

mount in INR Lakhs

Particulars	Mar-26 (Projected)	FY27 (Projected)	FY28 (Projected)	FY29 (Projected)	FY30 (Projected)
EBITDA	103.78	1,773.24	2,046.86	2,209.12	3,738.99
Adjustments					
Incremental Working Capital	(662.55)	1,031.83	946.69	727.92	745.58
Interest Outflow	37.89	336.57	303.08	278.86	260.70
Capital Expenditure	(0.00)	(268.44)	-	-	(0.00)
Long Term Borrowings	840.85	261.91	256.92	83.14	(0.00)
Income Tax	9.10	192.16	265.41	312.93	349.48
Total Outflows	225.29	1,554.03	1,772.10	1,402.85	1,355.77
Free Cash Flows to Equity	(121.52)	219.21	274.76	806.28	2,383.23
Discounting Factor	0.98	0.82	0.68	0.57	0.47
Discounted Cash Flows	(119.63)	179.47	187.08	456.54	1,122.25

Particulars	Amount in INR Lakhs
NPV of Explicit Period	1825.71
Present Value of Perpetuity	7,729.34
	2.95
Add: Closing cash or cash equivalents as at the Valuation Date	
Add: Notional call for partly paid-up shares	
Equity Value	9,558.00
Total Fully paid equivalent	1,50,00,000
Value per fully paid-up shares	63.72
Less: Unpaid value per share	-
Value per partly paid-up share	63.72



Valuation of VCL

Particulars	Amount in INR Lakhs
NVP FY29-30	1,122.25
Growth Rate	5%
NPV of Perpetuity Value	7,729.34

Market Rate of Return Ascertainment		
BSE S&P 500 Values		
Particulars	Date	Value
Base value of the S&P 500	01-Apr-01	1,080.10
Index Value	28-Feb-26	37,124.77
Number of years		24.93
Index multiple - Current over the Base year		34.37
Average Market Return (CAGR)		15.25%

The Value of Equity of VIVEKANAND COTSPIN LIMITED as per Discounted Cash Flow Method as on February 28, 2026 is **INR 63.72/-**.

VI. DISCLAIMER

- 6.1 This Valuation Report is furnished solely for the use of the company for the purpose mentioned above and should not be used for any other purpose without our prior written consent.
- 6.2 We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available for the purpose of this report. Our work does not constitute an audit or certification or due diligence of the working results, financial statements of the Company.
- 6.3 The valuation of Companies and businesses 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. While akasam has provided its assessment of the value of the share based on information available and within the scope and constraints of engagement, others may place a different value on the same and actual value realized may differ significantly.



Valuation of VCL

- 6.4 It may be pointed out that the Valuation is based on opinion that represent reasonable expectations at a particular point in time, but such estimates or opinions are not offered as predictions or as assurances that a particular level of income of profit will be achieved, that events will occur, or that a particular price will be offered or accepted.
- 6.5 akasam has acted in the capacity of Merchant Banker registered with Securities and Exchange Board of India (SEBI) for providing valuation services and will receive a fee for our services.
- 6.6 In no circumstances however, will akasam or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on akasam or its associates, directors or employees by any third party, VCL shall indemnify them.

VII. ACKNOWLEDGEMENT

We are thankful to the management & staff of VCL for their kind co-operation extended to us during the course of our assignment.

