VC

VIVEKANAND COTSPIN LIMITED

Manufacturing SME

Rs. 32 - 37

21 Sep 2026 - 23 Sep 2026

Issue size	Where the money goes	Earnings per share
Rs. 22.2 cr	**All fresh issue** the document states no offer for sale - computed from the share count at the band cap - p.1	**Rs. 2.45** issuer disclosed

WHAT STANDS OUT

Profit backed by cash - Operating cash flow is 235% of profit after tax — earnings are cash-backed.

WHAT THE COMPANY DOES

Our company is engaged in the business of cotton processing and yarn manufacturing, comprising ginning of raw cotton (kapas) into cotton bales and cotton seed, and spinning of cotton bales into cotton yarn. In addition to its manufacturing activities, the Company also undertakes trading of cotton bales and cotton yarn in the ordinary course of business to meet customer requirements and optimize business opportunities.

The manufacturing infrastructure of the group comprises of three ginning units and one ring spinning unit.

WHERE THE MONEY GOES

How the fresh proceeds are to be spent, as stated in Objects of the Offer.

Funding Capital Expenditure requi... 32%   To meet Working Capital requireme... 68%

PROMOTER HOLDING

100.0% > —

before after

AGAINST LISTED PEERS

Company	P/E	Revenue	Source
Deepak Spinners limited	22.1x	Rs. 534 cr	p.114
Lagnam Spintex Limited	9.5x	Rs. 605 cr	p.114
Industry average	15.8x	—	issuer

Figures as printed in the offer document. This page does not say whether that is expensive or cheap. That judgement is yours.

FINANCIALS, RS. CRORE

	2024	2025	2026	2Y CAGR
Revenue	357	290	408	+6.8%
EBITDA	15	15	15	—
Profit after tax	3	4	4	+4.9%
Net worth	21	17	29	—
Total debt	40	55	45	—

READING THESE NUMBERS AS MANUFACTURING

What actually diagnoses this business: Capacity utilisation - Order book - Working capital days - Customer concentration.

DOES THE PROFIT TURN INTO CASH

	2024	2025	2026
Operating cash flow	24	-11	9
Capital expenditure	15	1	3
Financing	-10	11	-7

Operating cash flow is 235% of profit after tax. Reported earnings are backed by cash.

WHEN LOCKED SHARES CAN BE SOLD

Each date releases shares that could not previously be traded.

+1 months	+3 months	+36 months
Anchor, first half	**Anchor, remainder**	**Promoter**
—	—	22.0%

THE DOCUMENT’S OWN CASE, FOR AND AGAINST

STRENGTHS IT CLAIMS

1. Forward Integration (p.172)
2. Cost effective production and timely fulfillment of orders (p.173)
3. Scalable Business Model (p.173)
4. Quality Focus (p.173)
5. Experienced Promoters (p.173)

RISKS IT DISCLOSES

1. We have engaged in related party transactions and may continue to do so in the future. (p.22)
2. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business. (p.28)
3. There may be potential conflicts of interest if our promoter group entities and group companies get involved in any business activities that compete with or are in the same line of activity as our business operations. (p.30)
4. Any fluctuations in cotton prices and availability may pose a significant risk to the Company’s cost of production and profitability. (p.31)
5. Dependence on seasonal cotton production may disrupt raw material procurement, impacting manufacturing continuity, production

Both columns are the offer document’s own words, not this page’s assessment.

THE INDUSTRY, AS THE DOCUMENT DESCRIBES IT

a 13.0% CAGR.

Drivers it names: Rising disposable incomes, rapid urbanization, and evolving consumer preferences; Initiatives such as the Production Linked Incentive (PLI) Scheme and PM MITRA Parks.

Constraints it names: Price volatility and availability of cotton yarn; Increasing competition from synthetic textile products; Growing focus on sustainability & increasing scrutiny on environmental issues.

> These industry figures come from a Dun & Bradstreet report commissioned and paid for by the issuer. It is not neutral research.

THE WIDER GROUP

Ambica Cotseeds Limited (promoter-group)	holds 0.0% - 3.2% of revenue is related-party
Ambica Cotseeds PTE Limited (promoter-group)	holds 0.0% - 0.0% of revenue is related-party
Truepay Finance Private Limited (promoter-group)	holds 0.0% - 0.0% of revenue is related-party

Extracted from the RHP at https://www.vcottonexport.com/investor/ipo/drhp-prospectus/red-herring-prospectus.pdf by gemini-3.5-flash on 2026-09-19. Figure verification was skipped. The source text was not available to check against.