M R B & ASSOCIATES
CHARTERED ACCOUNTANTS

CERTIFICATE ON KPI'S

Date: June 10, 2026
To,
The Board of Directors,
Shreedhar Spinners Limited
503, Matharu Arcade,
Subhash Road, Vile Parle East,
Mumbai - 400057, Maharashtra

Marwadi Chandarana Intermediaries Brokers Private Limited
X-Change Plaza, Office No. 1201 to 1205,
12th Floor, Building No. 53E,
Zone-5, Road 5E, Gift City,
Gandhinagar-382355, Gujarat, India

(Marwadi Chandarana Intermediaries Brokers Private Limited be appointed in relation to the Offer referred to as the "**Book Running Lead Manager**" or the "**BRLM**")

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Offer") of Shreedhar Spinners Limited.

We, M R B & Associates, Chartered Accountants, have been requested to carry out the agreed upon procedures specified below. The procedures specified below were performed to assist the Company and the Book Running Lead Manager in conducting and documenting their diligence of the affairs of the Company, in connection with the Offer and for the purpose of inclusion in the ~~in the draft red herring prospectus of the Company ("DRHP")~~ red herring prospectus ("RHP") to be filed with the Securities and Exchange Board of India (the "SEBI") and any stock exchange(s) where the equity shares of the Company are proposed to be listed (the "Stock Exchanges"), and the prospectus of the Company which the Company intends to file with the Registrar of Companies, Mumbai (the "RoC") and thereafter file with the SEBI and the Stock Exchanges, as well as other materials or documents that may be required to be prepared, filed or submitted by the Company in connection to the Offer (together with the RHP, prospectus, the "Offer Documents") and any other document in relation to the Offer.

We have examined the restated financial information of the Company for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 prepared in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the rules and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended] (the "**Restated Financial Information**") and issued our examination report dated June 10, 2026 thereto.

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Management's Responsibility

- The preparation of the accompanying statement, containing details of GAAP measures, Non-GAAP Financial measures and Non-Financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of Key Performance Indicators in Offer Documents issued by the ICAI ("**Technical Guide**") identified by the Company for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 as per the requirement of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations (the "**KPIs**", and such statement, the "**Statement**"), is prepared by the Management of the Company, which we have initialed for identification purposes only.

- The preparation of the Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls and ensuring that these were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

- The Management is responsible for:

    a. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;

    b. providing access to the accounting and other records, including information and explanations required for reporting on the KPIs;

    c. maintenance of the accounting and other records in relation to point (a) and (b) above; and

    d. compliance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"), the Technical Guide and other regulatory requirements.

Auditor's Responsibility

- Pursuant to the requirements of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations, it is our responsibility to conclude as to whether (i) the financial details provided in the Statement are in agreement with the Restated Financial Information and the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Statements, (ii) non-financial measures provided in the Statement are in agreement with the books of accounts by the Company; and (iii) the KPIs included in the Statement are mathematically accurate.

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Accordingly, we have performed the following procedures in relation to the Statement:

- Obtained list of KPIs, as set out in **Annexure A**, as approved by the audit committee of the board of directors of the Company ("**Audit Committee**") pursuant to their resolution dated January 09, 2026 along with definitions of each of KPIs from the management.

- Compared the specific components of KPIs as mentioned in the Statement to the source of the KPIs as maintained by management which includes books of account, Restated Financial Information and examination report thereto dated June 10, 2026 issued by the statutory auditors of the Company, relevant management information system reports maintained and generated by the Company, and performed the agreed upon procedures as below **Annexure A**. Relevance of Key Performance Indicators have been mentioned in **Annexure B.**

- Recomputed the mathematical accuracy of the KPIs included in the Statement; and

- Conducted relevant management inquiries and obtained necessary representation.

We confirm that all Key Performance Indicators ("**KPIs**"), as communicated by the Company to us and as approved by the Audit Committee pursuant to its resolution dated June 10, 2026, have been included in **Annexure A**.

Further, on the basis of such examination of the foregoing information as per agreed upon procedures, including as enumerated below the **Annexure A**, we confirm that (i) the financial details provided in the Statement are in agreement with the Restated Financial Information and the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Statements, (ii) non-financial measures provided in the Statement are in agreement with the books of accounts and other relevant records maintained by the Company; and (iii) the KPIs included in the Statement are mathematically accurate.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and 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, issued by the Institute of Chartered Accountants of India. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer (together the "**Offer Documents")**, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, Registrar of Companies, Maharashtra at Mumbai, any other authority as may be required and/or for the records to be maintained by the BRLM and for the purpose of any due-diligence defense the BRLM may wish to advance in any claim or proceeding in connection with the Offer.

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We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

We confirm that this certificate, including any annexures hereto, is for information and for inclusion (in part or full) in the red herring prospectus and the prospectus filed along with other materials or documents in relation to the Offer, and may be relied upon by the Book Running Lead Managers and the legal advisors to each of the Company and the Book Running Lead Managers

We undertake to update you in writing of any changes in the abovementioned position, until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Offer Documents.

Yours Sincerely,

For M R B & Associates
Chartered Accountants
ICAI Firm Registration Number: 136306W

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Manish R Bohra
Partner
Membership No.: 058431
Place: Mumbai
UDIN: 26058431CGCENF8850

Annexure A

Key Performance Indicators ("KPIs"),

Particulars	Unit	For the financial year ended March 31, 2026	For the financial year ended March 31, 2025	For the financial year ended March 31, 2024
Revenue from Operations(1)	₹	14,637.10	13,426.66	12,613.85
Total Income(2)	₹	14,654.91	13,442.60	12,635.16
Revenue CAGR(3)	%	7.72%		
EBITDA(4)	₹	1,761.65	1,310.50	1,340.91
EBITDA Margin(5)	%	12.04%	9.76%	10.63%
Profit After Tax(6)	₹	617.14	341.53	335.20
Profit After Tax Margin(7)	%	4.22%	2.54%	2.66%
Return on Equity (RoE) (8)	%	24.64%	18.33%	21.99%
Return on Capital Employed(9)	%	9.34%	11.36%	12.78%
Net Fixed Asset Turnover Ratio(10)	(in Times)	1.23	2.27	2.04
Working Capital Turnover Ratio(11)	(in Times)	-207.05	264.16	962.29
Working Capital Days(12)	No. of days	46	26	29
Debt to Equity Ratio(13)	(in Times)	3.89	3.21	3.67
Return on Assets(14)	%	3.59%	3.34%	3.63%
Current Ratio(15)	(in Times)	0.99	1.02	1.00
Inventory turnover ratio(16)	(in Times)	4.76	6.26	7.48
Trade Receivables turnover ratio(17)	(in Times)	109.63	99.81	200.89
Trade payables turnover ratio(18)	(in Times)	8.06	10.14	16.29

(1) Revenue from operations as derived from restated financial statements

(2Total Income as derived from restated financial statements

(3Revenue CAGR is calculated by dividing the Revenue from operation for the FY 2026 by the Revenue from operation for the FY 2024, raising to the power of one divided by the number of compounding period i.e. 2 years and subtracting by one.

(4) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses – Other Income.

(5) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(6) Profit After Tax (PAT) as derived from restated financial statements

(7) PAT Margin is calculated as PAT for the year divided by revenue from operations.

(8) Return on Equity (RoE) is equal to profit after tax for the year divided by the average total equity and is expressed as a percentage.

(9) Return on Capital Employed is calculated as EBIT divided by total capital employed. Capital employed is calculated as sum of total equity and total borrowings. EBIT is calculated as EBITDA minus depreciation and amortization

(107) Net Fixed Asset Turnover ratio is calculated as Revenue from operation divided by Net fixed Asset

(11 Working Capital Turnover Ratio is calculated as Revenue from operation divided by Working Capital.

(12Working Capital days is Inventory days + Receivables Days – Trade Payable Days

(13) Debt to Equity Ratio is calculated as total borrowings divided by total equity. Total Borrowings is calculated as sum of non - current borrowings, current borrowings and lease liabilities.

(14) Return on Assets is calculated by dividing the profit after tax by total assets.

(15) 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.

(16) Inventory Turnover Ratio = Cost of Goods Sold ÷ Average Inventory

(17) Trade Receivables turnover ratio = Revenue from Operations ÷ Average Trade Receivables

(18) Trade Payable turnover ratio = Purchases ÷ Average Trade Payable.

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Annexure B

Description of Historic Use and Relevance of Key Performance Indicators (KPIs)

Sr No.	KPI	Rationale / Relevance
1	Revenue from Operations	Revenue from operations is used by the management to track revenue generated from the Company's core business activities.
2	Revenue CAGR (FY 24 to FY 26)	Revenue CAGR provides information regarding growth in revenue over the specified period.
3	Total Income	Total income comprises revenue from operations and other income and is used to assess overall income generation of the Company.
4	EBITDA	EBITDA is used by the management to track the operational profitability of the business before the impact of financing, depreciation, amortization, and taxes.
5	EBITDA Margin	EBITDA Margin is an indicator of operational efficiency, profitability margins, and overall financial performance of the business.
6	Profit After Tax (PAT)	Profit after tax is used by the management to track the overall profitability of the Company after accounting for all expenses and taxes.
7	Profit After Tax Margin	Profit after tax margin is an indicator of the overall profitability margin and financial performance of the business.
8	ROE (Return on Equity)	ROE is used by the management to track how efficiently the Company generates profits from shareholders' funds and how effectively it converts shareholders' funds into profits.
9	ROCE (Return on Capital Employed)	ROCE is used by the management to track how efficiently the Company generates earnings from the capital employed in the business and how effectively it converts its total capital into profits.
10	Fixed Asset Turnover Ratio	Fixed Asset Turnover Ratio provides information on the efficiency of utilization of fixed assets to generate revenue from operations.
11	Working Capital Turnover Ratio (in Times)	Working Capital Turnover Ratio is used by the management to assess the efficiency with which the Company utilizes its working capital to generate revenue from operations, indicating the effectiveness of working capital management and operational efficiency.
12	Net Working Capital Days	Net Working Capital Days is used by the management to assess the efficiency of managing current assets and liabilities, indicating the Company's liquidity position and operational efficiency.
13	Net Debt / Equity	Net Debt / Equity ratio provides information on the leverage level of the Company and is used to assess its capital structure and financial risk.
14	Return on Assets	Return on Assets is used by the management to assess how efficiently the Company utilizes its total assets to generate profits and to evaluate overall operational efficiency and asset productivity.
15	Current Ratio	Current Ratio is used by the management to assess the Company's ability to meet its short-term obligations using its current assets and indicates the short-term liquidity position of the Company.
16	Inventory Turnover Ratio	Inventory Turnover Ratio is used by the management to evaluate the efficiency with which inventory is managed and converted into sales, indicating inventory management effectiveness and operational efficiency.
17	Trade Receivables Turnover Ratio	Trade Receivables Turnover Ratio is used by the management to assess the efficiency of collection of receivables and the effectiveness of the Company's credit policies.
18	Trade Payables Turnover Ratio	Trade Payables Turnover Ratio is used by the management to assess how efficiently the Company manages its payments to suppliers and its short-term working capital management.

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Comparison of KPI with Listed Industry Peers

We understand that listed industry peers of the Company have been identified as AB Cotspin India Limited and Siddhi Cotspin Limited (the "**Industry Peers**").

Particulars	Shreedhar Spinners Limited			AB Cotspin India Limited			Siddhi Cotspin Limited		
	For the financial year ended March 31, 2026	For the financial year ended March 31, 2025	For the financial year ended March 31, 2024	For the financial year ended March 31, 2026	For the financial year ended March 31, 2025	For the financial year ended March 31, 2024	For the financial year ended March 31, 2026	For the financial year ended March 31, 2025	For the financial year ended March 31, 2024
Revenue from Operations(1)	14,637.10	13,426.66	12,613.85	29,867.71	29,806.36	25,576.54	47,814.00	72,454.45	58,088.75
Total income(3)	14,654.91	13,442.60	12,635.16	30,145.70	30,079.78	25,696.78	47,827.11	72,465.94	58,117.65
Revenue CAGR(2)	7.72%			157.55%			-9.27%		
EBITDA (4)	1,761.65	1,310.50	1,340.91	3,985.53	2,956.73	2,618.61	2,576.17	3,238.88	3,432.93
EBITDA Margin (5)	12.04%	9.76%	10.63%	13.34%	9.92%	10.24%	5.39%	4.47%	5.91%
PAT(6)	617.14	341.53	335.20	1,326.12	999.03	669.84	964.08	1288.16	1176.62
PAT Margin (7)	4.22%	2.54%	2.66%	4.44%	3.35%	2.62%	2.02%	1.78%	2.03%
Return on Equity (RoE) (%) (8)	24.64%	18.33%	21.99%	10.06%	11.16%	12.06%	8.94%	17.66%	19.41%
Return on Capital Employed (%) (9)	9.34%	11.36%	12.78%	8.64%	7.52%	8.59%	10.00%	15.72%	15.91%
Net Fixed Asset Turnover Ratio (in Times) (10)	1.23	2.27	2.04	3.12	4.53	3.55	9.56	12.50	8.64
Working Capital Turnover Ratio (in Times) (11)	-207.05	264.16	962.29	3.55	4.40	6.99	5.06	15.25	13.89
Working Capital Days(12)	46	26	29	192	182	174	74	45	51
Debt to Equity Ratio (in Times) (13)	3.89	3.21	3.67	0.96	1.50	1.78	0.20	0.85	1.36
Return on Assets (14)	3.59%	3.34%	3.63%	4.24%	3.47%	3.38%	5.45%	7.05%	6.49%
Current Ratio (15)	0.99	1.02	1.00	1.88	1.65	1.45	7.29	1.62	1.59
Inventory turnover ratio(16)	4.76	6.26	7.48	2.92	3.20	3.61	8.92	18.30	23.20
Trade Receivables turnover ratio(17)	109.63	99.81	200.89	4.98	6.93	9.91	8.55	10.95	9.79
Trade payables turnover ratio(18)	8.06	10.14	16.29	58.26	159.99	179.53	27.14	35.18	48.35

1. *The financial data of Shreedhar Spinners Limited has been taken or derived from the restated financial statements for the relevant period*
2. *The financial data of AB Cotspin India Limited has been taken or derived from the Standalone financial statements filed with NSE for the relevant period*
3. *The financial data of Siddhi Cotspin Limited has been taken or derived from the financial statements filed with NSE for the relevant period*

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