

CERTIFICATE ON STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors,

Arjun Jewellers Limited

Office No 401, 4th Floor, Pride Capital,
Jalaram -1, Street No 2, University Road,
Rajkot, Gujarat – 360005

Re: Proposed initial public offering of equity shares of face value of ₹ 10/- each (the “Equity Shares”) by Arjun Jewellers Limited (the “Company” and such offering, the “Fresh Issue”)

Sub: Certificate on Statement of Special Tax Benefits

1. This certificate is issued in accordance with the terms of our engagement letter dated July 18, 2025.
2. We, Vaghasia & Lakhani LLP, Statutory Auditors of the Company, have been requested by the management of the Company to issue certificate on the possible special tax benefits available to the Company and material subsidiary and to its shareholders in accordance with the provisions of the Income Tax Act, 1961 (read together with the rules, circulars and notifications issued there in under) [as amended by Finance Act, 2024] i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, (herein referred to as the “**Income Tax Regulations**”) and the Central Goods and Services Tax Act, 2017, Gujarat Goods and service Act, 2017, the Customs Act, 1962 (“**Customs Act**”) and the Customs Tariff Act, 1975 (“**Tariff Act**”) read with rules, circulars, and notifications as amended by the Finance Act 2024, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (read together with rules, circulars, and notifications issued therein under) (herein referred to as the “**Indirect Tax Laws**”).

Management’s Responsibility

3. The preparation of the accompanying information in Statement of Tax Benefits (**Annexure A**) to the certificate is the responsibility of the Management of the Company.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), Companies Act, 2013, and applicable Indian Accounting Standards.
5. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the accompanying information in Annexure A, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.



Vaghasia & Lakhani LLP

Chartered Accountants

6. The Management is further responsible to communicate to us in writing about any change to the information / confirmation given in the certificate after its signing as and when the Management become aware of any such changes. In the absence of any such communication from the Management until the equity shares allotted/transferred in the Issue commence trading on the stock exchanges, we can assume that there is no change to the information / confirmations forming the certificate and accordingly, information given and prepared by the Management in respect of certificate is true and accurate.

Auditor's Responsibility

7. We understand that the Company is required to disclose such details in the (i) Draft Red Herring Prospectus ("DRHP"), (ii) Red Herring Prospectus ("RHP"); (iii) Prospectus and (iv) Any other documents or materials used in connection with the Issue (together, the "Offer Documents") to be prepared by the Company in relation to the Issue, pursuant to requirements under the SEBI ICDR Regulations, the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.
8. Our Responsibility is to obtain reasonable assurance and to form an opinion as to whether information given in the certificate is correct and in compliance with SEBI ICDR regulations, Guidance note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, the Companies Act, Income Tax Regulations, and applicable Indian Accounting Standards.
9. In this connection, we have performed the following procedures:
 - Reviewed relevant provisions of tax Regulations.
 - Reviewed Income Tax return filed by the company for the financial years ended on March 31, 2022, March 31, 2023 and March 31, 2024.
 - Discussion with the Company officials about tax benefits.
 - analysis of tax laws, applicability on the business of the Company, any rebates available to Company
10. We have conducted our examination of the Statement in accordance with the Guidance Note on Reports and Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. 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.

Inherent Limitations

12. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.
13. The benefits mentioned in the accompanying statement in Annexure A are not exhaustive. Several of the benefits mentioned in Annexure A are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled.



Vaghasia & Lakhani LLP

Chartered Accountants

14. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
15. Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Conclusion

16. In our opinion, the Statement prepared by the Company presents, in all material respects, the tax benefits available to the Company and its shareholders, in accordance with the Income Tax Regulations, Indirect Tax Laws as at the date of our report.
17. The Company does not have any subsidiary or other business combination to consider for tax benefits.
18. In terms of 'Policy on Determining Material Subsidiaries' approved by the Board of Directors in terms of the SEBI LODR Regulations, the Company does not have any material unlisted subsidiary (whether incorporated in India or outside India).
19. Considering the matter referred hereinabove, we do not express any opinion or provide any assurance as to whether:
 - (i) the Company or its shareholders will continue to obtain these benefits in the future; or
 - (ii) the conditions prescribed for availing of the benefits, where applicable have been/would be met with.
 - (iii) The revenue authorities/courts will concur with the views expressed herein.
20. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company as on the date of this certificate.

Restriction on Use

21. This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents which may be filed by the Company with Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), Registrar of Companies, Gujarat at Ahmedabad ("ROC") and (iv) any other regulatory or statutory authority.



Vaghasia & Lakhani LLP

Chartered Accountants

22. This certificate may be relied on by the Company, BRLMs and legal counsels in relation to the Issue and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby give consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.
23. We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes to the BRLMs and the Company until the equity shares allotted/ transferred in the Issue commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Issue can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

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

For Vaghasia & Lakhani LLP

Chartered Accountants

Firm Registration No: 0134575W/W100138

Place: Rajkot

Date: 24.09.2025



Partner : CA Amit Lakhani

Membership No.: 136378

UDIN: 25136378BMIUAV4900

Copy To:

Book Running Lead Manager
Saffron Capital Advisors Private Limited 605, Sixth Floor, Center Point, Andheri - Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400 059, Maharashtra, India

Legal Counsel to the Issue
Desai & Diwanji Forbes Building, 4th floor, Charanjit Rai Marg, Fort, Mumbai 400 001 Maharashtra, India

ANNEXURE A
Statement of Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the SEBI ICDR Regulations. While the term '*special tax benefits*' has not been defined under the SEBI ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in this Annexure. Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been reviewed and covered by this statement.

I. Under the Income Tax Laws.

A. Special Direct tax benefits available to the Company Under the act

1. Beneficial corporate tax rates - section 115BAA of the Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a beneficial tax rate of 25.17 % (22% plus applicable surcharge @10% and cess @4%) on fulfilment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The beneficial tax regime is subject to a company not availing any of the following deductions under the provisions of the Act:

- (i) Section 10AA: Tax holiday available to units in a Special Economic Zone.
- (ii) Section 32(1)(iia): Additional depreciation;
- (iii) Section 32AD: Investment allowance.
- (iv) Section 33AB/ABA: Tea coffee rubber development expenses/site restoration expenses
- (v) Section 35(1) (ii), (iia) & (iii) / 35(2AA) / 35(2AB): Expenditure on scientific research.
- (vi) Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- (vii) Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- (viii) Chapter VI-A except for the provisions of section 80JJAA and section 80M.
- (ix) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above,
- (x) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above

The total income of a company availing the beneficial tax rate of 25.17% (i.e., 22% plus 10% surcharge and 4% health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the beneficial tax regime in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the Act shall not be applicable to



companies availing this beneficial tax regime, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the beneficial tax regime. Accordingly, all existing as well as new domestic companies are eligible to avail this beneficial tax regime.

[Note : The Company has opted for beneficial tax regime under section 115BAA of the Act from the financial year 2019-20 (AY 2020-21.)]

2. Deduction in respect of inter-corporate dividends – section 80M of the Act

As per the provisions of section 80M of the Act, inserted with effect from 01 April 2021, a domestic company, shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. However, such deduction shall be restricted to the amount of dividend distributed by it to its shareholders on or before the due date i.e., one month prior to the date of furnishing the return of income under sub-section (1) of section 139 of the Act.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in section 80M of the Act.

3. Deductions in respect of employment of new employees –section 80JJAA of the Act

As per section 80JJAA of the Act, where a company is subject to tax audit under section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

B. Special tax benefits available to the Material Subsidiaries

Company does not have any material subsidiary as on the date of this certificate.

C. Special tax benefits available to the shareholders under the Act

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of a domestic corporate shareholder, benefit of deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed in A.2 above).
2. As per section 111A of the Act, short-term capital gains arising from transfer of equity shares on which securities transaction tax (STT) is paid at the time of sale, shall be taxed at the rate of 20%. This is subject to fulfilment of prescribed conditions under the Act.
3. As per section 112A of the Act, long-term capital gains arising from transfer of equity shares on which STT is paid at the time of acquisition and sale, shall be taxed at the rate of 12.5% (without indexation). This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note that tax shall be levied where such aggregate capital gains exceed INR 1,25,000 in a year.
4. As per section 115A of the Act, dividend income earned by a non-resident (not being a company) or of a foreign company, shall be taxed at the rate of 20% subject to fulfilment of prescribed conditions under the Act.



5. As per section 115E of the Act, long term capital gains arising to non-resident Indian from transfer of shares in an Indian company which the assessee has acquired in convertible foreign exchange shall be taxed at the rate of 12.5% subject to fulfilment of prescribed conditions under the Act.
6. As per section 90(2) of the Act, non-resident shareholders will be eligible to take advantage of the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.
7. Further, any income by way of capital gains, dividends accruing to non-residents may be subject to withholding tax as per the provisions of the Act or under the relevant DTAA, whichever is more beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

Notes:

- a. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- b. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- c. The Statement is prepared based on information available with the management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future.
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
- d. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
- e. The above Statement of Special Tax Benefits sets out the provisions of law in a summarized manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares.

II. Under the Indirect Tax Laws.

A Special tax benefits available to the Company

There are no special indirect tax benefits available to the Company.

B Special Indirect tax benefits available to the Material Subsidiaries

Company does not have any material subsidiary as on the date of this certificate.



C Special tax benefits available to Shareholders

There are no special indirect tax benefits available to the shareholders of the Company.

[Notes:

- i. The above Statement of Tax benefits sets out the special tax benefits available to the Company, its material subsidiaries, and its shareholders under the tax laws mentioned above.
- ii. The above Statement covers only above-mentioned tax laws benefits and does not cover any general tax benefits under any other law.
- iii. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- iv. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.
- v. This statement does not discuss any tax consequences under any law for the time being in force, as applicable of any country outside India. The shareholders / investors are advised to consult their own professional advisors regarding possible tax consequences that apply to them in any country other than India.
- vi. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.]

