Statement of special tax benefits (under direct and indirect tax laws) together with the report available to the Company, its shareholders

To,

The Board of Directors,
Arjun Jewellers Limited,
Office No. 401, 4th Floor,
Pride Capital, Jalaram 1,
Street No. 2, University Road,
Rajkot Sau Uni Area,
Rajkot-360005, Gujarat, India.

And

Saffron Capital Advisors Private Limited
605, Sixth Floor, Centre Point,
Andheri Kurla Road, JB-Nagar,
Andheri East, Mumbai-400059,
Maharashtra, India

*(Saffron Capital Advisors Private Limited is referred to as the **"Book Running Lead Manager"** or the **"BRLM"**)*

Sub: Proposed initial public offering of equity shares of face value of ₹10 each (Equity Shares and such Initial Public Offer, an "IPO" or "Issue") of Arjun Jewellers Limited ("Company").

Dear Sir/ Madam,

We, Vaghasia & Lakhani LLP, Chartered Accountants , the statutory auditors of the Company, hereby confirm that the enclosed statement in the Annexure prepared by the Company and initialled by us and the Company for identification purpose (**Statement**) sets out the possible special tax benefits available to the Company and its Shareholders, under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 2025, as amended by the Finance Act, 2026, read with rules, circular and notification issued thereunder (**Act**) i.e., applicable for the Tax Year 2026-27, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (**GST Act**) read with Rules, Circulars, and Notifications, Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2023 (**FTP**) as amended by the Finance (No.2) Act, 2025, presently in force in India (collectively the **Taxation Laws**) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the tax year 2026-27.

Management's Responsibility

The preparation of the accompanying information in the Statement of Tax Benefits (Annexure A) to this certificate is the responsibility of the Management of the Company.

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"), the Companies Act, 2013, and applicable Indian Accounting Standards.

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.

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

Auditor's Responsibility

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.

Our responsibility is to obtain reasonable assurance and to form an opinion as to whether the information given in this certificate is correct and in compliance with the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, the Companies Act, Income Tax Regulations, and applicable Indian Accounting Standards.

In this connection, we have performed the following procedures:

– Reviewed relevant provisions of the Taxation Laws.

– Reviewed the Income Tax returns filed by the Company for the financial years ended March 31, 2023, March 31, 2024 and March 31, 2025.

– Discussion with the Company officials regarding tax benefits.

– Analysis of the Taxation Laws and their applicability to the business of the Company, including any rebates available to the Company.

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, which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Inherent Limitations

Several of these benefits are dependent on the Company and its Shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its Shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its Shareholders face in the future, the Company and its Shareholders may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (**SEBI ICDR Regulations**). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its Shareholders the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement 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 specifically mentioned in the statement, have not been examined and covered by this statement.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to them. 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.

The benefits stated in **Annexure A** of this certificate, for possible special tax benefits available to the Company and its Shareholders are not exhaustive and the preparation of the contents stated is the responsibility of the Company. We are informed that this 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 distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

Conclusion

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 and Indirect Tax Laws, as at the date of our report.

The Company does not have any subsidiary or other business combination to consider for tax benefits.

In terms of the 'Policy on Determining Material Subsidiaries' approved by the Board of Directors in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), the Company does not have any material unlisted subsidiary (whether incorporated in India or outside India).

We do not express any opinion or provide any assurance as to whether:

a. The Company and its Shareholders, will continue to obtain these benefits in the future;

b. The conditions prescribed for availing of the benefits have been/would be met with; and

c. The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

We hereby consent to the extracts of this certificate being used in the draft red herring prospectus to be filed with the Securities and Exchange Board of India (**"SEBI"**), the Bombay Stock Exchange Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"** and together with the BSE, the **"Stock Exchanges"**), and the red herring prospectus and the prospectus to be filed with the Registrar of Companies, Ahmedabad at Gujarat (**"RoC"**) and submitted to the SEBI and the Stock Exchanges in connection with the Issue, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Issue and for disclosure on the website of the Company in connection with the Issue and/or for the records to be maintained by the Book Running Lead Manager in

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connection with the Issue and in accordance with applicable law. We also consent to this certificate to be uploaded on the website, repository and, or, the database of the Stock Exchanges.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India ("**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. We have also 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.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Red Herring Prospectus, Prospectus, the Preliminary International Wrap/Offering Memorandum, the Abridged Prospectus and any other addendum thereto of the Company to be submitted/filed with the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, Ahmedabad at Gujarat ("**ROC**") and the stock exchanges, or any other material (including in any corporate or investor presentation made by or on behalf of the Company) to be issued in relation to the Issue (together referred as "**Issue Documents**") or in any other documents in connection with the Issue.

We hereby consent to this certificate being disclosed by the Book Running Lead Manager, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authorities 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 related to any matter regarding issuance and listing of the equity shares of the Company.

We undertake to update you, in writing, of any change in the above-mentioned disclosures which we are aware of until the Equity Shares allotted, pursuant to the Issue, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Issue.

This certificate may be relied on by the Book Running Lead Manager, its affiliates and the legal counsel in relation to the Issue and to assist the Book Running Lead Manager in the context of due diligence procedures that the Book Running Lead Manager has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Issue.

All capitalized terms not defined herein bear the meaning ascribed to them in the Issue Documents.

Yours sincerely,
Vaghasia & Lakhani LLP
Chartered Accountants
Firm Registration No: 0134575W/W100138

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CA Amit Lakhani
Partner

Membership No.: 136378
Peer Review Certificate No: 015475
Date: July 31, 2026
Place: Rajkot
UDIN: 26136378ZSISZQ7482

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 200 of the Act

Section 200 of the Income Tax Act, 2025 ('the Act') (corresponding to the erstwhile Section 115BAA of the Income Tax Act, 1961) provides that 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 Tax Year 2026-27 onwards (effective from Financial Year 2019-20 / Assessment Year 2020-21 under the erstwhile Income Tax Act, 1961) 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 144: Tax holiday available to units in a Special Economic Zone.

(ii) Section 33: Additional depreciation;

(iii) Section 48/49: Tea coffee rubber development expenses/site restoration expenses

(iv) Section 45(3)(a), (b) and (c): Expenditure on scientific research.

(v) Section 46: Deduction for capital expenditure incurred on specified businesses.

(vi) Section 47: expenditure on agricultural extension /skill development.

(vii) Chapter VIII of the Act (other than the provisions of Section 146 or Section 148).

(viii) No set-off of any loss carried forward or depreciation from any earlier Tax Year, if such loss or depreciation is attributable to any of the deductions referred to above.

(ix) No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 116 of the Act, if such loss or depreciation is attributable to any of the deductions referred to 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 this option in its return of income filed under Section 263(1) of the Act. Further, the provisions of Minimum Alternate Tax ('MAT') under Section 206 of the Act shall not be applicable to companies availing this beneficial tax regime; and accordingly, 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.

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[Note: The Company has opted for the beneficial tax regime under Section 200 of the Act with effect from Tax Year 2026-27, being the first Tax Year under the Income Tax Act, 2025, operative from 1 April 2026. The Company had originally opted for the corresponding regime under the erstwhile Section 115BAA of the Income Tax Act, 1961 with effect from Financial Year 2019-20 (Assessment Year 2020-21). The option once exercised is irrevocable and continues to apply to all subsequent Tax Years.]

2. Deduction in respect of inter-corporate dividends – section 148 of the Act

   As per the provisions of Section 148 of the Act (corresponding to the erstwhile Section 80M of the Income Tax Act, 1961, effective from 1 April 2021), a domestic company is 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 Section 263(1) of the Act.

   The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in section 148 of the Act.

3. Deductions in respect of employment of new employees –section 146 of the Act

   As per Section 146 of the Act (corresponding to the erstwhile Section 80JJAA of the Income Tax Act, 1961), where a company is subject to tax audit under Section 63 of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of the additional employee cost incurred in the course of such business in a Tax Year, for 3 consecutive Tax Years including the Tax Year in which such additional employment cost is incurred.

   The eligibility to claim the deduction is subject to fulfilment of the prescribed conditions specified in Section 146 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 the case of a domestic corporate shareholder, the benefit of deduction under Section 148 of the Act would be available on fulfilling the conditions as discussed in A.2 above.
2. As per Section 196 of the Act (corresponding to the erstwhile Section 111A of the Income Tax Act, 1961), 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 the prescribed conditions under the Act.
3. As per Section 198 of the Act (corresponding to the erstwhile Section 112A of the Income Tax Act, 1961), 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 benefit). 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 tax year.
4. As per Section 207 of the Act (corresponding to the erstwhile Section 115A of the Income Tax Act, 1961), dividend income earned by a non-resident (not being a company) or by a foreign company shall be taxed at the rate of 20%, subject to fulfilment of the prescribed conditions under the Act.
5. As per Section 214 of the Act (corresponding to the erstwhile Section 115E of the Income Tax Act, 1961), long-term capital gains arising to a Non-Resident Indian from the 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 the prescribed conditions under the Act.
6. As per Section 159(2) of the Act (corresponding to the erstwhile Section 90(2) of the Income Tax Act, 1961), non-resident shareholders will be eligible to take advantage of the more beneficial provisions under the respective Double Taxation Avoidance Agreement ('DTAA'), if any, applicable to such non-residents. This is subject to fulfilment of the conditions prescribed for availing treaty benefits.

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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 <u>Special tax benefits available to the Company</u>

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

B <u>Special Indirect tax benefits available to the Material Subsidiaries</u>

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

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C <u>Special tax benefits available to Shareholders</u>

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.

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.]

For and on behalf of Board of Directors of Arjun Jewellers Limited

H.B. Vasoya

Hitesh Vasoya
Director

Arjun Jewellers Limited

Place: Rajkot
Date: July 31, 2026