

Vaghasia & Lakhani LLP

Chartered Accountants

CERTIFICATE ON FINANCIAL INDEBTEDNESS

To,

The Board of Directors

Arjun Jewellers Limited

Revenue Survey No 88/1, Plot No 4/A-B,

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 Financial Indebtedness

1. This certificate is issued in accordance with the terms of our engagement letter Dated May 26, 2026.
2. We, Vaghasia & Lakhani LLP, the Statutory Auditors of the Company, have been informed that the Company proposes to file the Draft Red Herring Prospectus with respect to the Issue (the “**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and subsequently (i) proposes to file a Red Herring Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies, Ahmedabad (“**Registrar of Companies**” and such Red Herring Prospectus, the “**RHP**”); (ii) proposes to file a Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies (the “**Prospectus**”); and (iii) issue any other documents or materials in relation to the Issue (such documents or materials collectively with the DRHP, RHP and Prospectus, the “**Offer Documents**”).
3. We have received a request from the Company to provide certificate on certain matters in relation to the outstanding borrowings of the Company and the guarantees provided by the Company, as on June 30, 2026.

Management’s Responsibility

4. The preparation of the accompanying information regarding the summary of borrowings sanctioned to the Company and outstanding borrowings of the company (**Annexure A**) as of June 30, 2026 and principal terms of the loans and assets charged as security by the Company (**Annexure B**) and Guarantees provided by the Company as on June 30, 2026 (**Annexure C**) to the certificate is the responsibility of the Management of the Company. (“**Management**”).
5. 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.
6. The Management’s responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the accompanying information in **Annexure A, Annexure B and Annexure C** 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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7. 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

8. We understand that the Company is required to disclose Details of Financial Indebtedness in (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.
9. Our responsibility is to obtain reasonable assurance and form an opinion as to whether information given in the certificate is true, fair, correct, accurate and in compliance of SEBI ICDR Regulations, Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, Companies Act, 2013 and applicable Indian Accounting Standards.
10. In this connection, we have verified the following documents:
- a) the restated Financial Information of the Company as at and for the financial years ended March 31, 2024, March 31, 2025, March 31, 2026 prepared in accordance with the Companies Act, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("**Restated Financial Information**").
 - b) Relevant records, ledger entries and registers of the Company.
 - c) Documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, other letters and correspondence between the lenders.
 - d) Documents pertaining to balance confirmations received from relevant lenders, for the purpose of issuing this certificate and
 - e) Minutes of the meetings of the Board of Directors of the Company (the "**Board**"), minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board, return of charge filed by the Company with Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), relevant forms and documents filed with the relevant RoC and the Reserve Bank of India, relevant share transfer forms and other documents and accounts presented to us, bank statements, relevant statutory registers and the books of accounts as prepared and provided by the management of the Company.
11. We conducted our Examination of the Statement in accordance with the Guidance Note on Reports and Certificates for special Purposes issued by ICAI. The Guidance Note require we comply with the ethical requirements of the code of ethics issued by the ICAI.
12. 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.

Conclusion

13. Based on our verification of above documents and details, we hereby certify and confirm that:
- i. The summary of the borrowings sanctioned to the Company outstanding, as of June 30, 2026.
 - ii. The principal terms of the borrowings and assets charged as security by the Company as given in **Annexure B**.



- iii. Except as stated in **Annexure C**, the Company has not provided any guarantees for the repayment of any loans availed by other entities (other than Company).
 - iv. The Company has availed loans or facilities from Directors and relatives of directors of the Company.
 - v. As on the date of this certificate, none of the banks or institutions from whom the Company have availed of debt facilities, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.
 - vi. The loan facilities as mentioned in **Annexure A** are being utilised for the purpose for which they were raised.
 - vii. There are no unsecured loans which have been recalled by lenders at any time.
 - viii. As on June 30, 2026, the unsecured loans availed by the company, are non-interest bearing and repayable on demand.
14. 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 well-informed decision.

Restriction on use:

15. 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 any other regulatory or statutory authority.
16. 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.
17. 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.)

Place: Rajkot
Date: 31.07.2026

For Vaghasia & Lakhani LLP
Chartered Accountants
Firm Registration No: 0134575W/W100138



Partner: CA Amit Lakhani
Membership No.: 136378
UDIN: 26136378ZBUGKI4454



Copy To:

Book Running Lead Manager

Saffron Capital Advisors Private Limited

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Legal Counsel to the Issue

Desai & Diwanji

Forbes Building, 4th floor, Charanjit Rai Marg, Fort, Mumbai 400 001 Maharashtra, India



ANNEXURE A

S. No.	Category of Borrowing	Purpose	Sanctioned amount	Principal amount outstanding (Unaudited Fig.) as on June 30, 2026
A)	Secured Loans			
	Fund based facilities			
	(i) Working Capital:	For Working Capital requirement		
	(a) Term Loan:			
	- Axis Bank		59.80	44.85
	- Kotak Mahindra Bank		59.80	-
	(b) Cash Credit/ Working Capital Demand Loan:			
	- Axis Bank - CC		450.00	412.20
	- Axis Bank (WCDL - Sub Limit)		(360.00)	-
	- Kotak Mahindra Bank - CC		300.00	9.93
	- Kotak Mahindra Bank (WCDL - Sub Limit)		(270.00)	270.00
B)	Unsecured Loans*			
	- Manishbhai Nathubhai Ghadiya	For Working Capital requirement	-	164.57
	- Raswanti Manish Ghadiya		-	99.50
	- Nathubhai Mepabhai Ghadiya		-	69.85
	- Vijyaben Nathubhai Ghadiya		-	55.09
	Grand Total (A + B)		869.60	1,125.99

Note:

- Working Capital Demand Loan is a sub-limit within the sanctioned cash credit facility and does not represent an additional sanctioned limit.
- All the cash credit & working capital demand loan facilities mentioned above are under personal Guarantee of Manish Ghadiya, Nathubhai Ghadiya, Raswantiben Ghadiya and Vijaben Ghadiya.

*Manish Nathubhai Ghadiya (Promoter and Managing Director), Raswanti Manish Ghadiya (Promoter and Non-Executive Director), Nathubhai Mepabhai Ghadiya (Promoter Group) and Vijayaben Nathubhai Ghadiya (Promoter Group)



Our Company's banking facilities primarily comprise cash credit, working capital demand loan and working capital term loan facilities availed for financing working capital requirements.. As on June 30, 2026, fund-based borrowings from financial institutions aggregated to ₹736.98 million and unsecured borrowings from Promoters and Promoter Group members aggregated to ₹389.01 million.



ANNEXURE B

Key terms of the borrowings availed by our Company:

The details below are indicative and there may be additional terms, conditions and requirements under the various borrowing agreements entered into by Our Company.

1. **Interest:** The interest rates for the secured facilities applicable to our Company's borrowing facilities are generally linked to the respective lender's prevailing lending rates at the time of sanction. These rates may be benchmarked to the Reserve Bank of India's repo rate, and may vary depending on the nature and terms of each facility. The interest rate applicable to the borrowings availed by our Company are as follows:

(i) **Kotak Bank:**

For Cash Credit – Repo Rate + 2.80% p.a.

For Working Capital Demand Loan – As mutually agreed at the time of facility release/disbursement (presently 7.80%).

For Working Capital Term Loan under Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 – Repo Rate + 3.45% p.a.

The interest rates for Cash Credit and Working Capital Demand Loan are as per sanction letter dated June 26 2026, and the rate for the Working Capital Term Loan is as per sanction letter dated June 27 2026. The Current Repo Rate as mentioned in the aforesaid sanction letters is 5.25% p.a.

(ii) **Axis Bank:**

For Cash Credit- Repo Rate + 2.65% p.a.

For Working Capital Demand Loan- To be decided at the time of draw down

For Working Capital Term Loan under Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 – Repo Rate + 3.75% p.a., capped at a maximum of 9.00% p.a.

The above rates for Cash Credit and Working Capital Demand Loan are as per sanction letter dated April 02, 2026. The rate for the Working Capital Term Loan is as per sanction letter dated June 11 2026. The Current Repo Rate as mentioned in the aforesaid sanction letters is 5.25% p.a.

2. **Tenor:** The tenor of the loan facilities availed by our Company for:

- (i) **Kotak Mahindra Bank:** Cash Credit is repayable on demand and Working Capital Demand Loan has a maximum tenure of 90 days. The Working Capital Term Loan availed under ECLGS 5.0 has a tenor of 60 months (including a moratorium period of 12 months). During the moratorium period, interest has to be serviced on monthly basis and the WCTL facility shall be repaid in the form of 48 Equated Monthly Instalments (EMIs), commencing from next month after completion of moratorium.

- (ii) **Axis Bank:** Cash Credit and Working Capital Demand Loan have a tenor of 12 months. The Working Capital Term Loan availed under ECLGS 5.0 has a tenor of 60 months (including a moratorium period of 12 months). The principal to be repaid in 47 equal monthly instalments of Rs. 12,45,833 each, with and last instalment of Rs. 12,45,849, post moratorium period, and interest shall be serviced as and when debited.

3. **Security:** In terms of the borrowings by the Company, security is created, inter alia, by way of a first pari-passu charge on the current assets and movable fixed assets (both present and future) of the Company, along with equitable and registered mortgages over various immovable properties such as residential and commercial properties. In addition, in respect of the Working Capital Term Loans availed under the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 from Kotak Mahindra Bank Limited and Axis Bank Limited, a second pari-passu charge has been created over the aforesaid current assets and movable fixed assets, along with an extension of the mortgage over the said immovable properties, and the said facilities are further backed by a 90% guarantee from the National Credit Guarantee Trustee Company Limited (NCGTC).



Axis Bank additionally holds an exclusive lien over a fixed deposit of Rs. 5.00 crores placed as liquid collateral security. Manishbhai Ghadiya, Nathubhai Ghadiya, Raswantiben Ghadiya, and Vijayaben Ghadiya, have extended personal guarantees in relation to the loans availed by our Company.

4. **Pre-payment:** The terms of facilities availed by our Company typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, including upon giving notice to the concerned lender, subject to such prepayment penalties as laid down in the sanction letters. The prepayment penalty for the facilities availed by our Company, where specified, ranges typically from nil to 4% of the amount outstanding or the amount to be prepaid as specified in the sanction letters.

In particular, Kotak Mahindra Bank levies a prepayment charge of 2% (plus applicable taxes) of the amount being prepaid, for non-revolving facilities, and 2% of the sanctioned limit, for revolving facilities such as Cash Credit/Working Capital Demand Loan, while Axis Bank levies a prepayment charge of 4% (plus applicable taxes) on sanctioned limits, if the working capital facilities are repaid within 12 months of drawdown, and nil thereafter. The Working Capital Term Loans availed under the ECLGS 5.0 from Kotak Mahindra Bank Limited and Axis Bank Limited do not attract any prepayment, foreclosure, guarantee or processing charges.

5. **Restrictive covenants:** The Working Capital Term Loans availed under ECLGS 5.0 are further required to be utilised solely for working capital purposes and are restricted from being used for investment in real estate, capital markets or other speculative activities, or for repayment of any other loan or obligation due to the respective lender or any other lending institution.
6. **Events of Default:** As per the terms of our borrowings, the following, amongst others, constitute events of default for the relevant loan agreements: failure or inability to pay outstanding principal or interest amounts on the respective due dates, breach or non-performance of any covenant, condition, or undertaking under the terms of the financing documents.
7. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, among others, are the consequences of the occurrence of events of default, whereby the lender may, *inter alia*:
- a) right to recall/ withdraw the facilities;
 - b) right to inspect, value, insure and take charge/possession;
 - c) right to sell, call in, collect, convert into money or dispose;
 - d) levy annual charges, pre closure charges and penal charges;
 - e) initiate legal proceedings for recovery of their due;



This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by the Company, and the same may lead to consequences other than those stated above.

ANNEXURE C

Nil

