Independent Auditors' Examination Report on Restated Financial Information

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

Dear Sir(s),

1. We, Vaghasia & Lakhani LLP, the statutory auditor of Arjun Jewellers Limited *(formerly known as Arjun Jewellers Private Limited)* (the **"Company"**), have examined the attached Restated Financial Information of the Company, which comprises of the Restated Statement of Assets and Liabilities as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, the Restated Statements of Profit and Loss (including other comprehensive income), Restated Statement of changes in equity and the Restated Statement of Cash Flows for the years ended March 31, 2026, March 31, 2025 and March 31, 2024, and a summary of Material Accounting Policies, and other explanatory information (collectively, the **"Restated Financial Information"**). The Restated Financial Information was prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus (**"DRHP"**) proposed to be filed with the Securities and Exchange Board of India (**"SEBI"**), BSE Limited and National Stock Exchange of India Limited (together, the **"Stock Exchanges"**), in connection with the proposed initial public offer (IPO) of equity shares of face value of ₹10/- each of the Company (the "Issue"). The Restated Financial Information, which have been approved by the Board of Directors of the Company at their meeting held on June 29, 2026 have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue and Disclosure of Capital Requirements) Regulation 2018, as amended (**"ICDR Regulations"**); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (**"ICAI"**), (the **"Guidance Note"**).

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Management's Responsibility for the Restated Financial Information

2. The preparation of the Restated Financial Information is the responsibility of the Board of Directors of the Company including designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Restated Financial Information have been prepared on the basis of preparation stated in Note 2.1 to the Restated Financial Information. The Board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Financial Information taking into consideration:

   a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 18, 2025, requesting us to carry out the assignment, in connection with the proposed Initial Public Offering (IPO) of equity shares of the company;

   b) The Guidance Note which also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

Restated Financial Information

4. The Restated Financial Information have been compiled by the management of the Company from:

   a) The audited Financial statements of the company as at and for the year ended March 31, 2026, prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 which have been approved by the Board of Directors at their meeting held on June 08, 2026.

   b) The audited Financial statements of the company as at and for the year ended March 31, 2025 along with comparative audited financial statements for the year ended March 31, 2024, prepared in accordance with Indian Accounting Standards (IndAS) notified under the Companies Act, 2013, which have been approved by the Board of Directors at their meeting held on July 17, 2025.

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c) Audited financial statements of the company as at and for the year ended March 31, 2024 (the "Statutory Financial Statements"), prepared in accordance with accounting principles generally accepted in India ("IGAAP") which have been approved by the Board of Directors at their meeting held on August 30, 2024, which have been audited and reported by erstwhile Statutory Auditor M/s. Viradiya & Associates, Chartered Accountants.

5. **For the purpose of our examination, we have relied on:**

a) the auditors' reports issued by us dated June 08, 2026, in relation to audited financial statements of the company for the year ended March 31, 2026, prepared in accordance with Indian Accounting Standards (IndAS) notified under the Companies Act, 2013.

b) the auditors' reports issued by us dated July 17, 2025, in relation to audited financial statements of the company for the year ended March 31, 2025 along with comparative audited financial statements for the year ended March 31, 2024, prepared in accordance with Indian Accounting Standards (IndAS) notified under the Companies Act, 2013.

c) the auditors' reports issued by M/s. Viradiya & Associates, Chartered Accountants, as at and for the year ended March 31, 2024 as referred in Paragraph 4(c) above.

6. **Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:**

a) Have been prepared after incorporating adjustments for the changes in accounting policies or material errors and regroupings / reclassifications have been made retrospectively as at and for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, to reflect the same accounting treatment as per the accounting policies.

b) Do not require any adjustments for the changes in accounting policies or material errors

c) do not require any adjustment for modification as there is no modification in the underlying audit reports and

d) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Other Remarks in respect of audited financial statements of the company for the year ended March 31, 2026,

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Emphasis of Matter

During the Financial Year 2025–26, the Company detected a systematic fraud perpetrated by a former Cashier/Head Cashier, spanning from approximately September 2024 to August 2025. The modus operandi included the fabrication of false gold scheme vouchers, the generation of fictitious sales invoices in the absence of actual customers, and the physical unauthorized removal of gold inventory.

Based on the initial internal forensic assessment, the gross value of the misappropriation was determined to be ₹19.97 million, and a First Information Report (FIR) was promptly filed with the local law enforcement authorities for the equivalent amount. Subsequent inquiry and reconciliation proceedings successfully identified and resolved a recovery/rectification of ₹6.82 million. Consequently, the Company has recognized a net provision for fraud amounting to ₹13.15 million, which has been fully accounted for in the financial statements for the fiscal year ended March 31, 2026.

The matter is currently under legal investigation, and management has taken appropriate steps including disciplinary action and internal control remediation.

Comment in respect of Inventory (Clause ii (b))

There is variation in inventory value and book debt value as per Book-debt statement filed with the bank and as per books of accounts. The difference is due to change in valuation of inventory and regrouping of customer advances / unbilled revenue / unearned revenue from trade receivables balance, which was finalized post submission of statement to Bankers.

Details of discrepancies		**Amount (₹ in millions)**		
For the quarter Ended	**Nature of current asset**	**Amount as per books of Account**	**Amount as reported in the Quarter end Statement**	**Amount of Difference**
Jun-25	Inventory	1,514.48	1,493.30	21.18
	Trade Receivable	9.36	14.81	-5.45
Sep-25	Inventory	1,956.15	1,938.30	17.85
	Trade Receivable	16.12	121.28	-105.16
Dec-25	Inventory	1,918.19	1,715.90	202.29
	Trade Receivable	24.16	97.49	-73.33
Mar-26	Inventory	1,549.31	1,319.58	229.73
	Trade Receivable	22.30	439.80	-417.50

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8. *Other Remarks in respect of audited financial statements of the company for the year ended March 31, 2025*

Other Matter Paragraph

The comparative financial information of the Company for the year ended March 31, 2024 and the transition date opening balance sheet as at April 01, 2023 included in these financial statements, have been adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. In our opinion, such adjustments are appropriate and have been properly applied.

The financial statements for the year ended March 31, 2024, and March 31, 2023 audited by the predecessor auditor, whose reports for dated August 30, 2024, and August 29, 2023 respectively, prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended and the Companies (Accounting Standards) Rules, 2021 (Indian GAAP or previous GAAP) expressed an unmodified opinion on those financial statements.

Comment in respect of Audit trail

The Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility. However, the same has not been operated throughout the year as the audit trail feature has been enabled from January 1, 2025 in the respective software. The feature of recording audit trail (edit log) facility was not enabled in software relating to billing and stock maintenance throughout the year.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with after enabling the same, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Comment in respect of Inventory (Clause ii (b))

There is variation in inventory value and book debt value as per Book-debt statement filed with the bank and as per books of accounts. The difference is due to change in valuation of inventory and regrouping of customer advances / unbilled revenue / unearned revenue from trade receivables balance, which was finalized post submission of statement to Bankers.

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Details of discrepancies		Amount (₹ in millions)		
For the quarter Ended	Nature of current asset	Amount as per books of Account	Amount as reported in the Quarter end Statement	Amount of Difference
Jun-24	Inventory	1,035.46	1,055.91	-20.45
	Trade Receivable	13.36	12.33	1.03
Sep-24	Inventory	1,132.58	1,154.26	-21.68
	Trade Receivable	56.75	38.70	18.05
Dec-24	Inventory	1,209.59	1,230.71	-21.12
	Trade Receivable	42.82	39.57	3.25
Mar-25	Inventory	1,222.49	1,243.60	-21.12
	Trade Receivable	10.52	30.75	-20.23

Comment in respect of Fraud (Clause xi)

The Company has filed a First Information Report (FIR) post year-end alleging a suspected fraud by a store inventory manager involving misappropriation of inventory. The amount involved is ₹2.56 million, which has been fully recognized in the books for the year ended March 31, 2025.

9. The Company has filed Form GNL-1 for adjudication on June 10, 2026, in respect of non-compliance with the audit trail requirements applicable to the company, and has paid the prescribed penalty pursuant to the adjudication.

10. 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.

11. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to March 31, 2026. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the company as of any date or for any period subsequent to March 31, 2026.

12. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of reports on the audited financial statements mentioned in paragraph 4 above.

13. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

15. Our report is intended solely for use of the Board of Directors of the Company for inclusion in DRHP to be filed with SEBI and Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

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CA Amit Lakhani
Partner
Membership No.: 136378
UDIN: 26136378TFCNTQ9983

Place: Rajkot
Date: 29.06.2026