

**ARSANDCOMPANY**

Chartered Accountants

F-101, Sumer Complex, Guatam Marg, Bagariya Bhawan , C Scheme, Jaipur-302001 Rajasthan

Phone:9414742407, 0141-4008496,E-Mail:ramdasbansal@yahoo.com

To,  
**Smart Horizon Capital Advisors Private Limited**  
(Formerly Known as Shreni Capital Advisors Private Limited)  
B/908, Western Edge II, Kanakia Space, Behind metro mall,  
Off Western Express Highway, Magathane, Borivali East,  
Mumbai – 400066, Maharashtra, India.  
(The “Lead Manager”)

Dear Sir(s),

**Proposed Initial Public Offer (“IPO”) of Yaashvi Jewellers Limited (Formerly known as Yaashvi Jewellers Private Limited) on SME Platform of BSE Limited (“BSE SME”)**

Based on the Audited Financials of Assets and Liabilities as at March 31, 2024, 2025, 2026 respectively from the Audited Financial Statements of the Company in connection with the Initial Public Offering in SME Platform, and according to revenue and other assumptions, information/explanation as provided by the company, terms of the engagement with the company and as per the relevant records produced before us, we certify that we have examined the correctness of working capital assessment of the company and funding pattern of working capital gap as follows:

(₹ In Lakhs)

Particulars	2023-24	2024-25	2025-26
	Audited	Audited	Audited
<b>Current assets</b>			
Inventories			
Raw Materials	169.88	273.31	567.61
Finished Goods			
At Store	1,049.59	4,110.38	1,231.67
At Showroom	-	-	4,926.68
Trade Receivables	864.64	369.31	1,840.91
Other Current Assets	85.72	250.41	318.45
<b>Total Current Assets (I)</b>	<b>2,169.83</b>	<b>5,003.41</b>	<b>8,885.32</b>
<b>Current Liabilities</b>			
Trade Payables	2.48	13.95	52.58
Other Current Liabilities	9.21	6.56	188.21
Short Term Provisions	24.83	395.04	644.25
<b>Current Liabilities (II)</b>	<b>36.52</b>	<b>415.55</b>	<b>885.04</b>
<b>Total WC Gap (III)=[(I)-(II)]</b>	<b>2,133.31</b>	<b>4,587.86</b>	<b>8,000.28</b>
ST Borrowings	-	3,963.12	5,631.73
Internal accrual	2,133.31	624.74	2,368.55
<b>Total</b>	<b>2,133.31</b>	<b>4,587.86</b>	<b>8,000.28</b>



On the basis if the existing working capital requirements, the Board of Directors of the company pursuant to its resolution dated April 15,2026 has approved the estimated and projected working capital requirements for FY 2026-27 as set forth below:

(₹ In Lakhs)

Particulars	2026-27
	Projected
<b>Current assets</b>	
Inventories	
Raw Materials	550.14
Finished Goods	
At Store	2,752.52
At Showroom	6,422.55
Trade Receivables	927.78
Other Current Assets	493.88
<b>Total Current Assets (I)</b>	<b>11,146.88</b>
<b>Current Liabilities</b>	
Trade Payables	48.45
Other Current Liabilities	20.23
Short Term Provisions	748.37
<b>Current Liabilities (II)</b>	<b>817.05</b>
<b>Total WC Gap (III)=[(I)-(II)]</b>	<b>10,329.83</b>
IPO Proceeds	2,150.00
ST Borrowings	1,286.12
Internal accrual	6,893.71
<b>Total</b>	<b>10,329.83</b>

Key assumptions for working capital projections made by the Company:

**The table below sets forth the details of holding levels (in days) for Fiscal 2024, Fiscal 2025, Fiscal 2026 as well as projections for Fiscal 2027:**

Particulars	2023-24	2024-25	2025-26	2026-27
Average Inventory Turnover Days	18	37	49	56
Raw Material Days	3	3	4	3
Finished Goods Days	15	34	45	53
Average Trade Receivable Turnover Days	10	8	9	10
Average Trade Payable Turnover Days	0	0	1	1

**Notes:**

1. Inventory holding days are calculated sum of Raw Material Holding Days and Finished Goods Holding Days.
2. Raw Material holding days are calculated by dividing 365 by the Average Raw Material Turnover ratio. The Average Raw Material Turnover ratio is calculated by dividing Cost of Goods Sold by Average Raw Materials.
3. Finished Goods holding days are calculated by dividing 365 by the Average Finished Good Turnover ratio. The Average Finished Good Turnover ratio is calculated by dividing Cost of Goods Sold by Average Finished Goods.
4. Trade Receivables' holding days are calculated by dividing 365 by the Average Trade Receivables Turnover ratio. The Average Trade Receivables Turnover ratio is calculated by dividing Revenue from Operations by Average Trade Receivables.



5. Trade Payables holding days are calculated by dividing 365 by the Average Trade Payables Turnover ratio. The Average Trade Payables Turnover ratio is calculated by dividing Cost of Goods Sold by Average Trade Payables.

**Key Justifications from management:**

S. No.	Particulars	Rationale
1.	<b>Inventory</b>	<p>Our inventory holding has increased from 18days in FY 2023-24 to 37 days in FY 2024-25 to 49 days in FY 2025-26 and is projected to increase to 56 days in FY 2026-27. In FY 2023-24, the Company's primary business was wholesale, which required relatively low inventory levels. From FY 2024-25 onwards, with the increasing share of retail sales in the overall revenue mix (increasing from around 1.40% in FY 2023-24 to 25.13% in FY 2024-25 to 25.90% in FY 2025-26), inventory holding levels have been rising year on year. This increase is primarily driven by the Company's transition from a wholesale to a retail-focused business model, which necessitates maintaining a wider range of finished jewellery across categories and designs to cater to diverse customer preferences.</p> <p>Further, the company opened new showroom in FY 2025-26 which has contributed to increasing proportion of retail sales in total sales which has led to increase in inventory holding days in FY2025-26. This will also contribute to increasing inventory holding levels in FY 2026-27 as the company will be required to maintain higher inventory levels which are essential to ensure product availability, prevent stockouts, and capitalize on market opportunities.</p>
2.	<b>Trade Receivables</b>	<p>Historically, our receivable days have been maintained in the range of 8-10 days. The receivable levels are reducing year on year with the increasing share of retail sales in total revenue. Retail sales are primarily on a instant cash settlement basis, whereas wholesale sales typically involve a credit period. For FY 2025-26, receivable days are 9 days and are expected to increase slightly to 10 days from FY 2026-27 onwards.</p>
3.	<b>Trade Payables</b>	<p>The Company's trade payables are very low, with a holding period of 0-1 day. This is because raw materials are procured both locally and through imports, where advance or immediate payments are preferred to avail cash discounts and improve gross margins. In the gold jewellery manufacturing business, gold bars are typically purchased on immediate payment or with a maximum credit period of one day. Following the grant of the import license, gold imports from Dubai also require upfront payment. This conservative payment approach helps secure a steady supply of raw materials, strengthens vendor relationships, and enhances profitability through cash purchase benefits.</p>
4.	<b>Other Current Assets</b>	<p>Other current assets mainly comprise GST receivables, TDS and Advance Income tax, advance to suppliers etc. these items contribute in low proportion to total current assets. The levels are projected in line with business growth and regulatory requirements, ensuring timely compliance with statutory payments. This will increase as per operational scale and expansion plans.</p>
5.	<b>Other Current Liabilities</b>	<p>Other current liabilities mainly comprise statutory dues and operating accruals. The levels are projected in line with business growth and regulatory requirements, ensuring timely compliance with statutory payments. The company's other current liabilities fluctuate as per operational scale, IPO utilization, and expansion plans.</p>
6.	<b>Short Term Provisions</b>	<p>Short-term provisions primarily represent employee benefit liabilities, and tax-related accruals that are due within a year. The balances vary year-on-year in line with the scale of operations, profitability, and statutory requirements. The Company maintains these provisions conservatively to safeguard compliance, meet employee-related commitments, and avoid any disruption in operations.</p>

**Benefits of IPO Funding**



- 1) **Enhanced working capital:** The IPO proceeds will provide the company with the liquidity required to bridge the current working capital gap. This will enable us to manage cash flows more effectively, improving our ability to meet supplier payments and customer demands without relying on internal funds.
- 2) **Boost to sales growth:** With sufficient working capital, the company will be able to increase its inventory levels, negotiate better terms with suppliers, and fulfil customer orders more efficiently. This will help unlock sales growth.
- 3) **Operational expansion:** The additional funds will also enable the company to invest in expanding our operational capacity, which is vital for achieving the growth targets set for FY 2026-27.

We hereby confirm that while providing this certificate we have complied with the Standard on Quality Control (SQC) 1, and '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 ("ICAI"). We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.

This certificate is issued for the sole purpose of the Company's proposed Issue of its Equity Shares for listing on stock exchanges in India and can be used for inclusion in the draft prospectus and prospectus and any other material in relation to the Issue, for submissions to Securities and Exchange Board of India, Registrar of Companies, stock exchanges or any other authority as may be required. We further consent to the aforementioned details being included for the records to be maintained by the Company, Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

This certificate may be relied on by the Company, Lead Manager and the legal counsel in relation to the Issue and to assist the Book Running Lead Manager in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the draft prospectus and prospectus to be issued by the Company in relation to the Issue and other Issue related materials ("Offer Documents") and for the purpose of any defence the Book Running Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents. We also consent to the extracts of this certificate being used for disclosure in the draft prospectus and prospectus to be issued by the Company in relation to the Issue and other Issue related materials. This certificate may be produced in any actual or potential proceeding or actual or potential dispute relating to or connected with the offering document or otherwise in connection with the Issue.

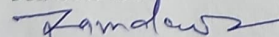
We undertake to update you of any changes in the above-mentioned information until the date the Equity Shares pursuant to the Issue commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares of the Company commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

Yours sincerely,

For ARS and Company  
Chartered Accountants

FRN:009406C

  
CA Ramdas Bansal

Membership No. 406107



Place : Jaipur

Date: 08/05/2026

UDIN: 26406107MIVLJD8574

Encl: As above