

RAWAT & ASSOCIATES

CHARTERED ACCOUNTANTS

CERTIFICATE ON EMPLOYEE STOCK OPTIONS DISCLOSURE AND COMPLIANCE

August 4, 2025

To,

The Board of Directors

BlueStone Jewellery and Lifestyle Limited

Site No 89/2, Lava Kusha Arcade
Munnekolala Village, Outer Ring Road
Marathalli, Bangalore – 560 037
Karnataka, India

Axis Capital Limited ("Axis")

1st floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli, Mumbai -400 025
Maharashtra, India

IIFL Capital Services Limited ("IIFL")

(Formerly known as IIFL Securities Limited)

24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai - 400 013
Maharashtra, India

Kotak Mahindra Capital Company Limited ("Kotak")

1st Floor, 27 BKC
Plot No. C-27, 'G' Block
Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Maharashtra, India

(Axis, IIFL and Kotak are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Re: Proposed initial public offering of equity shares of face value of ₹ 1 each of BlueStone Jewellery and Lifestyle Limited (the "Company") ("Equity Shares") by way of a fresh issue of Equity Shares (the "Fresh Issue") and/ or an offer for sale by certain existing shareholders of the Company (the "Selling Shareholders" and such offer for sale, the "Offer for Sale", together with Fresh Issue, the "Offer").

We, Rawat & Associates, Chartered Accountants, have been informed that the Company has filed the draft red herring prospectus dated December 11, 2024 ("DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") and now proposes to file the red herring prospectus ("RHP") and the prospectus with the Registrar of Companies, Karnataka at Bangalore ("RoC"), in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").



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We have been requested by the Company to verify and certify that the employee stock option plan of the Company is in accordance with Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“**SEBI ESOP Regulations**”), Companies Act, 2013 and the rules notified thereunder, each as amended (“**Companies Act**”) and ICDR Regulations and applicable law.

We are issuing this certificate with respect to the accompanying **Annexure A** comprising information related to BlueStone Jewellery and Lifestyle – Employee Stock Option Plan 2014 (the “**ESOP Scheme**”). We have examined the relevant records of the Company pertaining to the ESOP Scheme, duly approved by a resolution of the board of directors of the Company passed at their meeting on May 8, 2014 and by a special resolution of the shareholders of the Company passed at the general meeting held on May 9, 2014. ESOP Scheme was most recently amended pursuant to the resolution passed by the Board on April 9, 2025 and the special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 2, 2025.

In this connection, we have performed the following procedures:

- (i) reviewed the copy of the ESOP Scheme, adopted by the board of directors of the Company by way of their resolution dated May 8, 2014 and by the shareholders of the Company by way of their resolution dated May 9, 2014 approving the ESOP Scheme and most recently amended pursuant to the resolution passed by the Board on April 9, 2025 and the special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 2, 2025; reviewed the grant letters issued to the employees of the Company pursuant to the ESOP Scheme;
- (ii) reviewed the audited financial statements of the Company, the relevant form filings made by the Company, the relevant statutory registers, the minutes of the meetings of the board of directors of the Company the minutes of the general meetings of the Company, and any other relevant records of the Company made available to us by the Company;
- (iii) Reviewed the board resolution dated April 9, 2025 and the special resolution passed by the shareholders at the Extra Ordinary General Meeting held on May 2, 2025 for approving amendments to the ESOP Scheme and enhancement of the stock option pool; and
- (iv) read and compared the clauses of the ESOP Scheme with the SEBI ESOP Regulations to ensure the compliance with SEBI ESOP Regulations and Companies Act.

Pursuant to the Bluestone Jewellery and Lifestyle – Employee Stock Option Plan 2014, an aggregate of 10,066,798 options have been granted, an aggregate of 2,770,029 options have vested, an aggregate of 1,500,243 options have been exercised and 4,797,243 options are outstanding as on the date of this certificate.

We confirm that, in terms of Regulation 5(2)(a) of the ICDR Regulations, no employee stock options were granted to any person other than current and former employees (as defined in Regulation 2(1)(o) of the ICDR Regulations) of the Company and there are no outstanding grants with any person other than such employees.

Based on our examination and review of the ESOP Scheme and the records of the Company and procedures performed by us, we confirm the particulars stated in **Annexure A**.

We have evaluated compliance with the SEBI ESOP Regulations and ICDR Regulations, as applicable, which are applicable as on the date of this certificate. We confirm that the ESOP Scheme is in compliance with and have been implemented in accordance with SEBI ESOP Regulations and ICDR Regulations, as applicable. We further confirm that the ESOP Scheme have been framed and implemented in accordance with the resolution(s) of the board of directors of the Company, the shareholders’ resolution(s), the Companies Act, the relevant guidance note and the accounting standards, issued by the Institute of Chartered Accountants of India (“**ICAI**”), as applicable.



We have conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such 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.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the RHP, the prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with SEBI, Stock Exchanges, RoC and / or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to the SEBI, RoC, Stock Exchanges and/or any other regulatory/statutory authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

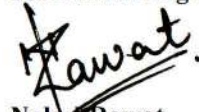
We also consent to the inclusion of this certificate as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date.

This certificate may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter 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 on the request of the Stock Exchanges 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 or (iii) for the records to be maintained by the BRLMs and in accordance with applicable law.

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 in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer 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.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

For Rawat & Associates
Chartered Accountants
ICAI Firm Registration No: 134109W



Nakul Rawat
Partner

Membership No. 416638

Peer Review Certificate No. 018174

UDIN: 25416638BMNRMN2662



CC:

Legal Counsel to the BRLMs

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road, Off M.G. Road
Bangaluru – 560 025
Karnataka, India

International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee
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Legal Counsel to the Company

Trilegal
DLF Cyber Park, Tower C, 1st Floor,
Phase II, Udyog Vihar, Sector 20,
Gurugram – 122008 Haryana, India



ANNEXURE A

Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
Options outstanding as at the beginning of the period	138,571	1,894,796	2,446,853	3,548,669
Options granted during the year/period	1,173,504	1,343,506	2,056,016	1,647,192
Total options granted	1,312,075	3,238,302	4,502,869	5,195,861
Total issued, subscribed and paid up capital (post conversion) as on the date of RHP	135,459,637	135,459,637	135,459,637	135,459,637
% of total issued, subscribed and paid up capital (post conversion)	Negligible	2.39	3.32	3.84
Additions due to share consolidation, bonus issue and split	1,247,139	NIL	NIL	Nil
Total options outstanding (including vested and unvested options) (after adjustment of share split and bonus issue)	2,559,214	3,238,302	4,502,869	5,195,861
Cumulative options granted as on the date of the RHP	10,066,798			
% options granted as on the date	7.43			
Options vested (including options that have been exercised) (as adjusted for share split and bonus issue)	508,727	774,012	903,797	393,427
Options exercised	NIL	NIL	1,500,243	Nil
% of total issued, subscribed and paid up capital (post conversion)	NIL	NIL	1.11	Nil



Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
Exercise price of options (in ₹) (as on the date of the grant of options)	1	1	1	1
Options forfeited/ lapsed/ cancelled	155,691	17,437	50,403	5,191
% of total issued, subscribed and paid up capital (post conversion)	Negligible	Negligible	Negligible	Negligible
Options modified	NIL	455,035	8,704	Nil
Variation in terms of options	No variation in the scheme		The vesting conditions have been updated from "Options granted would vest not less than one year and not more than five years from the date of such grant of Options" to "Options granted would vest not less than one year and not more than seven years from the date of such grant of Options."	No variation in the scheme
Total options outstanding (including vested and unvested options)	1,894,796	2,446,853	3,548,669	4,797,243
Total no. of Equity Shares that would arise as a result of full exercise of options granted [(net of forfeited/ lapsed/ cancelled options)]	1,894,796	2,446,853	3,548,669	4,797,243
Money realised by exercise of options (in ₹)	NIL	NIL	1,500,243	Nil
Total no. of options in force	1,894,796	2,446,853	3,548,669	4,797,243



Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
Employee wise details of options granted to				
(i) Key management personnel				
(a) Runit Dugar (Chief Financial Officer)	64,000	253,752	547,232	Nil
(ii) Senior management				
(a) Sudeep Nagar (Chief Operating Officer)	985,127	402,066	311,419	1,602,557
(b) Vipin Sharma (Chief Merchandising Officer)	NIL	320,538	407,786	Nil
(c) Harshit Kulin Desai (Chief Manufacturing Officer)	NIL	NIL	158,785	Nil
(d) Mikhil Raj (Chief Product Officer)	NIL	NIL	158,785	Nil
(e) Tarun Rajput (Head Engineering)	NIL	109,522	103,807	Nil
(f) Gaurav Sachdeva (Head of Retail)	NIL	NIL	118,519	Nil
(iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted	NIL	NIL	NIL	NIL



Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
during the year				
(iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	1. Sudeep Nagar – 985,127 2. Rumi Dugar – 64,000	1. Sudeep Nagar – 402,066 2. Rumi Dugar – 253,752 3. Vipin Sharma – 320,538	1. Rumi Dugar – 547,232 2. Vipin Sharma – 407,786	1. Sudeep Nagar – 1,602,557
Fully diluted EPS on a pre-Offer basis pursuant to the issue of equity shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	(92.14)	(78.36)	(79.74)	Not determinable at this stage
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between employee compensation cost so calculated and the employee	Not applicable, as valuation of ESOPs has been done through fair valuation of options under IND AS			



Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company				
Description of the pricing formula and the method and Significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black-Scholes-Merton model Exercise Price (₹): 1 Average expected volatility (%): 43 Dividend yield (%): NIL Average expected life (Years): 4 Average risk-free interest rate (%): 7	Black-Scholes-Merton model Exercise Price (₹): 1 Average expected volatility (%): 47 Dividend yield (%): NIL Average expected life (Years): 4 Average risk-free interest rate (%): 7.18	Black-Scholes-Merton model Exercise Price (₹): 1 Average expected volatility (%): 42 Dividend yield (%): NIL Average expected life (Years): 4 to 7 years Average risk-free interest rate (%): 6.44	Black-Scholes-Merton model Exercise Price (₹): 1 Average expected volatility (%): 42 Dividend yield (%): NIL Average expected life (Years): 4 to 7 years Average risk-free interest rate (%): 6.06
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable because the Company had followed the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations i.e., as per the Indian Accounting Standard			
Intention of the key managerial personnel, senior management and whole-time	No intention to sell the Equity Shares within 3 months after the date of listing of the Equity Shares in the initial public offer.			



Particulars	Details			
	Fiscal 2023	Fiscal 2024	Fiscal 2025	From April 1, 2025 till the date of this certificate
directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the initial public offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any				
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by directors and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than one per cent. of the issued capital (excluding outstanding warrants and conversions)			NA	

