

RAWAT & ASSOCIATES

CHARTERED ACCOUNTANTS

CERTIFICATE ON KEY PERFORMANCE INDICATORS

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.E. Marg, Worli, Mumbai -400 025
Maharashtra, India

HFL Capital Services Limited ("HFL")

(Formerly known as HFL Securities Limited)

24th Floor, One Lodha Place
Serapati 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, HFL 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 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").

In connection with the proposed Offer, the Company is required to obtain a report from an independent



404 & 407, Prospect Chambers, 4th Floor, 317, D. N. Road, Fort, Mumbai - 400 001.

Tel. : 2282 8154, 2284 3202 • Email : ankit@rawatassociates.com, nakul@rawatassociates.com

chartered accountant that holds a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (the "ICAI"), with regard to the key performance indicators as identified by the Company for the purposes of disclosure in the Offer Documents in accordance with the provisions of the ICDR Regulations, as enclosed in **Annexure A** hereto. This certificate is issued in terms of the "Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents" issued by The Institute of Chartered Accountants of India (ICAI) or The Institute of Cost Accountants of India (ICMAI), as applicable to the Certifying Professional or any other similar standard issued by ICAI or ICMAI.

The accompanying statement, containing details of GAAP measures, Non-GAAP financial measures and non-financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of key performance indicators in Offer Documents issued by the ICAI (the "**Technical Guide**") identified by the Company for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 as per the requirement of Schedule VI, Part A (9)(K)(3) of the ICDR Regulations (the "**KPIs**", and such statement, the "**Statement**"), is prepared by the management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

The preparation of the accompanying Statement is the responsibility of the management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to the KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is responsible for:

- (i) Identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
- (ii) Providing access to the accounting and other records to us including information and explanations required for reporting on the KPIs;
- (iii) Maintenance of the accounting and other records in relation to point (a) and (b) above; and Compliance with the ICDR Regulations, the Technical Guide, SEBI Circular dated February 28, 2025 on Industry Standards on KPIs and Disclosures in the draft Offer Document and Offer Document ("KPI Standards"), the "Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents" issued by The Institute of Chartered Accountants of India (ICAI) or The Institute of Cost Accountants of India (ICMAI), as applicable to the certifying professional or any other similar standard issued by ICAI or ICMAI and other regulatory requirements;
- (iv) Ensuring that the KPIs identified, meet the criteria laid out in the definition of terms used for disclosing KPIs, as specified in the KPI Standards;
- (v) the management of the Company is also responsible for data collection and compilation as per the KPI Standards

Our Responsibility

Pursuant to the requirements of Schedule VI, Part A (9) (K) (3) of the ICDR Regulations, it is our responsibility to obtain reasonable assurance and conclude as to whether: (i) the financial details provided in the Statement are in agreement with the restated consolidated financial information of the Company and Subsidiary for the financial year ended March 31, 2025, and restated financial information of the Company for the financial years ended March 31, 2024 and March 31, 2023, prepared in accordance with the Companies Act, 2013, as amended (the "**Companies Act**") and the Indian Accounting Standards (the "**Ind AS**") and restated in accordance with the the ICDR Regulations (collectively referred as "**Restated Financial Information**"), and/or the underlying books of account



maintained by the Company used for the purpose of preparation of the Restated Financial Information; (ii) non-financial measures provided in the Statement are in agreement with the books of accounts and other relevant records maintained by the Company; and (iii) the KPIs (including their definitions) included in the Statement are mathematically accurate.

We have conducted our procedure in accordance with the "Guidance Note on *Engagements to Perform Agreed-upon Procedures regarding Financial Information*" ("**SRS 4400**") issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. 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. (SRS) 4400 is generally adopted to perform agreed upon procedures regarding financial information; however, this standard can also be used as a guide to perform agreed upon procedures regarding non-financial information.

We have performed the following procedures in relation to the Statement:

Obtained list of KPIs from the management and compared the specific components of the KPIs as mentioned in the Statement to source of the KPIs as maintained by management, which includes the Company's books of accounts, and Restated Financial Information maintained by the Company as described in the paragraph above;

1. Recomputed the mathematical accuracy of the KPIs included in the Statement, including verifying their definitions; and
2. Conducted relevant management inquiries and obtained necessary representations.

We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in above.

We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.

The procedures we have performed do not constitute an audit or review made in accordance with generally accepted auditing standards. Furthermore, they will not necessarily reveal matters of significance with respect to any material misstatement of the information related to KPIs of the Company.

Conclusion

Based on the procedures performed by us, as above, we confirm that: (i) the financial details provided in the Statement are in agreement with the Restated Financial Information as of and for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, and/ or the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Information, as applicable; (ii) non-financial measures provided in the Statement are in agreement with the books of accounts and other relevant records maintained by the Company; or that (iii) the KPIs included in the Statement are mathematically accurate, and conform to their definitions provided by the management. In relation to financial KPIs, none of the measures have a definition that is different from the definition of such measure under Indian Accounting Standards (Ind AS) or Accounting Standards (AS) in accordance with Section 133 of the Companies Act, 2013, SEBI ICDR Regulations or Companies Act, 2013.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.



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.

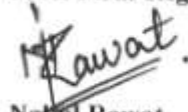
This certificate may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. 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.

Yours Sincerely,

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



Nandul Rawat
Partner

Membership No. 416638

Peer Review Certificate No. 018174

UDIN: 25416638BMNRLS1090



CC:

Legal Counsel to the BRLMs

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brundage Road, Off M.G. Road

RAWAT & ASSOCIATES
CHARTERED ACCOUNTANTS

Bangaluru – 560 025
Karnataka , India

International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049 321

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

Details of our KPIs for the Fiscals 2025, 2024 and 2023 are set out below:

(in ₹ million, unless otherwise indicated)			
Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Financial Performance Indicators			
Net Revenue	17,700.02	12,658.39	7,707.26
Net Revenue (year on year growth) (%)	39.83	64.24	67.06
Gross Profit	6,715.13	5,114.98	2,456.04
Gross Margin (%)	37.94	40.41	31.87
EBITDA	731.64	530.49	(560.34)
EBITDA Margin (%)	4.13	4.19	(7.27)
Adjusted EBITDA	1,278.06	1,054.23	(272.79)
Adjusted EBITDA Margin (%)	7.22	8.33	(3.54)
Restated Profit After Tax for the year / period	(2,218.37)	(1,422.36)	(1,672.44)
PAT Margin (%)	(12.53)	(11.24)	(21.70)
Average Inventory	13,218.84	6,932.69	2,807.20
Inventory Turnover Ratio	1.34	1.83	2.75
ROCE (%)	(3.67)	(3.39)	(31.16)
Net Debt with GML	6,094.47	2,555.30	1,917.91
Net Debt without GML	6,013.14	3,259.23	1,955.91
Net Debt / Equity (with GML)	0.67	0.68	(2.67)
Net Debt / Equity (without GML)	0.66	0.87	(2.72)
Operating Performance Indicators			
Number of customers (life till date)	771,845	562,729	390,959
AOV (₹)	47,671.26	41,204.71	32,038.38
Studded Revenue (%)	67.88	67.44	68.31
Same Store Sales Growth - YoY*	32.14	51.16	72.06
Store Metrics			
Number of stores	275	192	155
Number of cities	117	80	71
Advertising and Marketing cost	1,591.66	1,242.30	841.40
Advertising and Marketing cost as a percentage of revenue from operations (%)	8.99	9.8	10.92

Notes:

- (1) Net Revenue = Revenue from Operations
- (2) Represents one year growth from last financial year
- (3) Gross Profit = Revenue from Operations - Cost of Goods Sold; Cost of Goods Sold = Cost of Material Consumed + Purchases of stock-in-trade + Changes in Inventories
- (4) Gross Margin = Gross Profit / Revenue from Operations
- (5) EBITDA = EBITDA is calculated as Profit/Loss before tax - Other income + Depreciation and amortization expense + Finance Cost;
- (6) EBITDA Margin = EBITDA / Revenue from Operations
- (7) Adjusted EBITDA is calculated as EBITDA, further adjusted for ESOP Charge and the franchisee commission that forms part of the "Brokerage & Commission" line item in other expenses in our financial statements.
- (8) Adjusted EBITDA Margin is calculated as adjusted EBITDA as a percentage of revenue from operations.
- (9) PAT (Profit after Tax): Profit for the year



- (109) $PAT\ Margin = PAT / Revenue\ from\ Operations$
- (110) $Average\ Inventory = (Opening\ Inventory + Closing\ Inventory) / 2$
- (112) $Inventory\ Turnover\ Ratio = Revenue\ from\ Operations / Average\ Inventory$
- (113) $ROCE\ (Return\ on\ Capital\ Employed) = EBIT / Capital\ Employed.$
- (114) $EBIT = Profit/Loss\ Before\ Tax - Other\ income + Finance\ Cost;$
- (115) $Capital\ Employed = Total\ Equity + Non-Current\ Borrowings + Current\ Borrowings\ (including\ Gold\ Metal\ Loan)$
- (116) $Gross\ Debt = Non-Current\ Borrowings + Current\ Borrowings\ (including\ Gold\ Metal\ Loan)$
- (117) $Net\ Debt\ with\ GML = Gross\ Debt - Cash\ and\ Bank\ Balances\ (including\ all\ unrestricted\ bank\ deposits,\ and\ deposits\ for\ Gold\ Metal\ Loan)$
- (118) $Net\ Debt\ without\ GML = Gross\ Debt\ (excluding\ GML) - Cash\ and\ Bank\ Balances\ (including\ all\ unrestricted\ bank\ deposits)$
- (119) $Net\ Debt / Equity\ with\ GML = Net\ Debt\ with\ GML\ divided\ by\ Total\ Equity$
- (120) $Net\ Debt / Equity\ without\ GML = Net\ Debt\ without\ GML\ divided\ by\ Total\ Equity$
- (121) Number of customers refers to the total count of unique customers who have made and retained a purchase till March 31, 2025
- (122) AOV: Average Order Value, used interchangeably as ATS (Average Ticket Size) for peers
- (123) The percentage share of studded jewellery sales of the total jewellery sales. Studded jewellery refers to jewellery pieces that prominently feature gemstones or precious stones. These stones, such as diamonds, rubies, etc., are set into jewellery to add colour and value.
- (124) Same Store Sales growth has been calculated as like-for-like year-on-year growth in sales for stores that have been open for at least 12 months
- (125) $Advertising\ and\ Marketing\ costs = Advertising\ Expense + Selling\ or\ Promotional\ Expenses$
- (126) Advertising and Marketing costs as a percentage of revenue from operations is calculated as the sum of selling and advertising expense as a percentage of revenue from operations

KPI	Explanation for the KPI
Financial Performance Indicators	
Net Revenue	Describes the top line performance of the company
Net Revenue (year on year growth) (%)	Describes the improvement in revenue year on year
Gross Profit	Helps in understanding the profitability of the company's products
Gross Margin (%)	Helps understand the product profitability vis-à-vis the sales of the company
EBITDA	Describes the reported operational efficiency of the company's operations by removing non-operational costs from the net profit
EBITDA Margin (%)	Helps ascertain how much of the sales do the reported operational costs form a part of
Adjusted EBITDA	Adjustments are made to remove further the non-cash charges of ESOP charges and the Franchisee Commission that forms a part of the brokerage and commission in our books, but due to our unique franchisee model, is also a finance cost, thus providing a clearer picture of the company's actual operating EBITDA
Adjusted EBITDA Margin (%)	Shows the Adjusted Operating EBITDA% vis-à-vis the sales of the company
Restated Profit After Tax for the Year / Period	Helps ascertain the overall profitability of the company
PAT Margin (%)	Shows the profitability of the company vis-à-vis the Revenues
Average Inventory	Due to the increase in inventory levels throughout



KPI	Explanation for the KPI
	the year, inventory turnover is calculated on the average inventory of the company to provide a more accurate representation of the company's inventory turnover
Inventory Turnover Ratio	Shows the efficiency of the company's inventory management
ROCE (%)	Describes how efficient the company deploys its funds
Net Debt without GML	Helps ascertain how much money the company owes to its lenders, net of the company's unlevered liquid position
Net Debt with GML	Sum of all interest-bearing financial liabilities (including bank borrowings, debentures, and the outstanding value of Gold Metal Loans), less cash and cash equivalents. This metric reflects the company's net financial obligations and is used to assess leverage, solvency, and enterprise value.
Net Debt / Equity (without GML)	Shows the capital structure of the company, showing how leveraged the company is
Net Debt / Equity (with GML)	It indicates the proportion of a company's capital structure that is funded by net debt obligations—including gold metal liabilities—relative to shareholders' equity. It helps assess the financial risk and long-term sustainability of the business.
Operating Performance Indicators	
No. of Customers (life till date)	Helps ascertain how many customers the company is adding year on year and how many it has acquired in its entire lifetime
AOV (₹)	Helps ascertain the value of each order with the company
Studded Revenue (%)	Helps ascertain the sales mix of the company's products between plain gold jewellery and the studded (diamond and other precious stones) jewellery, which impacts the margin performance
Same Store Sales Growth – YoY	Helps understand the year on year increase in revenue at our stores open for at least 12 months
Store Metrics	
Number of stores	Helps to ascertain the overall footprint of the company across India we operate
Number of cities	To understand the company's city coverage across India
Advertising and Marketing cost	Describes how much the company is spending in its advertising
Advertising and Marketing cost as a percentage of revenue from operations (%)	Describes how much the company is spending on advertising vis-à-vis the sales

The above-mentioned KPIs have been approved by the Audit Committee of the Company in their meeting held on July 16, 2025.

