CERTIFICATE ON EMPLOYEE STOCK OPTIONS DISCLOSURES

Date: December 06, 2024

To,

The Board of Directors
International Gemmological Institute (India) Limited
702, 7th Floor, The Capital
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India

Axis Capital Limited
1st Flor, Axis House
P.B. Marg, Worli,
Mumbai 400 025
Maharashtra, India

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Morgan Stanley India Company Private Limited
Division 18F, Tower 2,
One World Center, Senapati Bapat Marg,
Lower Parel, Mumbai, 400013
Maharashtra, India

SBI Capital Markets Limited
Unit No. 1501, 15th floor, A & B Wing,
Parinee Crescenzo Building,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051,
Maharashtra, India

(*Axis Capital Limited, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, SBI Capital Markets Limited and any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the "***Book Running Lead Managers***")*

Dear Sir/Ma'am,

Re: Proposed initial public offering of equity shares of face value ₹ 2 each (the "Equity Shares", and such offering, the "Offer") of International Gemmological Institute (India) Limited (the "Company")

We, S K Patodia & Associates LLP, independent Chartered Accountants, have been requested by the Company to verify and certify that the employee stock option plan of the Company is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended ("**SEBI ESOP Regulations**"), the Companies Act, 2013 and the rules notified thereunder, each as amended ("**Companies Act**") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"), as applicable, and applicable law.

We are issuing this certificate with respect to the accompanying **Annexure A** comprising information related to IGI Employee Stock Option Plan - 2024 (**ESOP 2024**) (collectively, referred to as 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 August 7, 2024 and by a special resolution of the shareholders of the Company passed at the extra-ordinary general meeting held on August 10, 2024.

In this connection, we have performed the following procedures:

(i) reviewed the copy of the ESOP Scheme, the resolutions passed by the board of directors of the Company on August 7, 2024 and the special resolution passed by the shareholders of the Company on August 10, 2024, each approving the ESOP Scheme;

(ii) reviewed the grant letters issued to the employees of the Company pursuant to the ESOP Scheme;

(iii) 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 and its committees including nomination and remuneration committee, the minutes of annual general meetings and extra-ordinary general meetings of the Company, the share transfer forms and any other relevant records of the Company made available to us by the Company and relied on the confirmation from the management of the Company in respect of the intention of the employees of the Company to sell the Equity Shares; 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 IGI Employee Stock Option Plan - 2024, options have been granted, vested or exercised under ESOP 2024 as on the date of this certificate.

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

We have evaluated compliance with the SEBI ESOP Regulations and SEBI ICDR Regulations, as applicable, which are applicable as on the date of this certificate. We confirm that the ESOP Scheme are in compliance with and have been implemented in accordance with SEBI ESOP Regulations and SEBI ICDR Regulations, as applicable. We further confirm that the ESOP Scheme has been framed and implemented in accordance with 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 the examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") 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 sole purpose of the Offer, and can be used, in full or part, for inclusion in the (i) red herring prospectus proposed to be filed with the Registrar of Companies, Maharashtra at Mumbai ("**Registrar of Companies**") and thereafter with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") (ii) prospectus proposed to be filed with the Registrar of Companies and thereafter with SEBI and the Stock Exchanges; and (iii) any other documents or materials prepared in relation to the Offer (collectively, the "**Offer Documents**"), and for submission of this certificate as may be necessary, to any regulatory/statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and its accordance with the applicable law.

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 a well-informed decision. We further confirm that we have not been engaged or interested in the formation or promotion of management of the Company.

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 Book Running Lead Managers and the Company until the Equity Shares allotted/transferred in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the Book Running Lead Managers 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 accurate.

This certificate may be relied upon by the Book Running Lead Managers and the legal advisors appointed with respect to Offer for documenting and conducting their due-diligence and due-enquiry of the affairs of the Company in connection with the Offer. Accordingly, we consent to this certificate and its contents (in whole or in part) being presented and/or utilised for the purpose of any defence that the Book Running Lead Managers may wish to advance before any statutory/regulatory authority in connection with the Offer and/or the Offer Documents.

All capitalized terms not defined herein would have the same meanings as attributed to such terms in the Offer Documents, as applicable.

Yours faithfully,

For S K Patodia & Associates LLP
Chartered Accountants
ICAI Firm's Registration No.: 112723W/W100962

DHIRAJ RAJENDRA LALPURIA
Digitally signed by DHIRAJ RAJENDRA LALPURIA
Date: 2024.12.06 11:24:05 +05'30'

Dhiraj Lalpuria
Partner
Membership No.: 146268
Peer Review Certificate No.: 014150
UDIN: 24146268BKCTJC2198

Place: Mumbai
Date: December 06, 2024

Encl: As above

Cc:

Domestic Legal Counsel to the Company

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

Domestic Legal Counsel to the Book Running Lead Managers for the Offer

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

International Legal Counsel to the Book Running Lead Managers for the Offer

White & Case LLP
88 Market Street #41-01
CapitaSpring, Singapore 048948

ANNEXURE A

Particulars	From October 1, 2024 to date of filing of this Red Herring Prospectus	Nine -months period ended September 30, 2024
Total options outstanding at the beginning of the period	23,093,200	Nil
Adjustment on account of bonus issue	Nil	Nil
Total options granted	20,951,824	Nil
Exercise price of options in ₹ (as on the date of grant options)	81.36	Nil
Total options vested (excluding the options that have been exercised)	Nil	Nil
Options exercised	Nil	Nil
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil
Variation of terms of options	Nil	Nil
Money realized by exercise of options	Nil	Nil
Total number of options outstanding in force	20,951,824	Nil
Employee-wise detail of options granted to:		
i. Key managerial personnel	17,844,741	NIL
(a) Tehmasp Nariman Printer	16,795,050	NIL
(b) Easwar Subramanian Iyer	1,049,691	NIL
(c) Hardik Desai	NIL	NIL
ii. **Senior management**	1,007,703	NIL
(a) Lata Manghnani	335,901	NIL
(b) Kareena Shahani	335,901	NIL
(c) Sindhu Loyal	335,901	NIL
(d) Deborah Pienica	NIL	NIL
iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	NIL	NIL
iv. Identified employees who were 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	Tehmasp Nariman Printer	
Fully diluted earnings per equity share (face value of ₹2 Equity Share)	NA	3.15*
*There were no ESOP Granted by the company in the previous years, so there were no impact on the Diluted EPS of said previous years.		

Particulars	From October 1, 2024 to date of filing of this Red Herring Prospectus	Nine -months period ended September 30, 2024
Lock-in	Shares issued pursuant to exercise of ESOP shall not be subject to any Lock-in	
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	Not applicable since the options were priced at fair value on the date of grant by using Monte Carlo Simulation and Black Scholes Option Pricing model	
Description of the pricing formula 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	The Company has applied **Monte Carlo Simulation (**MCS) to simulate the future equity value of IGI India for the next 9 years The Company has applied a Black Scholes Option Pricing (BSOP) Model for each iteration where the ESOPs are expected to be vested out of the 10,000 iterations under MCS based on the period in which the ESOPs are expected to be vested	
x-Expected life of options (years)	1	Nil
-Volatility (% p.a)	MCS - 25.70%	Nil
	BSOP – 23.20%	
-Risk free rate of returns (%)	3.90%	Nil
Dividend yield (%)	6.00%	Nil
Impact on profit and earnings per Equity Share (face value of ₹2 Equity Share, as applicable) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	Not applicable	
Intention of the Key Managerial Personnel, Senior Management and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	None of the Key Managerial Personnel, Senior Management and whole-time directors who are holders of Equity Shares allotted on exercise of options granted intend to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	None of the Directors, senior management personnel and employees having Equity Shares arising out of the employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) intend to sell equity shares arising out of the scheme within three months after the listing of Equity Shares, pursuant to the Offer.	