

## Company Overview

BlueStone is a leading digital-first, direct-to-consumer (DTC) omni-channel jewellery brand in India, offering a wide range of contemporary jewellery, including rings, earrings, necklaces, pendants, solitaires, bangles, bracelets, and chains. These products cater to diverse customer segments and are retailed at varied price points to suit different occasions and preferences. Founded in 2011, BlueStone targets modern customers aged 25 to 45 who value unique designs and engage with brands via digital platforms. As of March 31, 2025, BlueStone operates 275 stores across 117 cities in 26 states and union territories, supported by its website, mobile app, and a robust omnichannel ecosystem. With over 7,400 designs and 91 collections of jewellery, it delivers an integrated customer experience online and offline, including features like 360-degree product views and "Try at Home." BlueStone is the only leading jewellery retailer in India with an in-house manufacturing setup that produces over 75% of its total jewellery, providing the company with strong control over the production process and enabling faster time-to-market. The company currently operates three manufacturing facilities in Mumbai, Jaipur, and Surat, with installed capacities of 1,883.3 kg, 4,340.0 kg, and 1,844.5 kg, respectively. Additionally, a fourth facility is under construction in Jaipur to further enhance production capacity. In FY25, the capacity utilization of the Mumbai, Jaipur, and Surat facilities stood at 98.6%, 81.7%, and 68.3%, respectively. This high level of in-house production supports consistent quality, efficient inventory management, and quicker response to market trends. Additionally, BlueStone benefits from significantly lower effective interest rates through the procurement of gold via gold metal loans (GML) from leading banks, further strengthening its cost efficiency and operational agility. Moreover, BlueStone has dedicated design studios, supported by an in-house team of 23 designers as of March 31, 2025. This in-house creative team plays a pivotal role in developing innovative and contemporary designs, which are integral to BlueStone's unique appeal in the jewellery market.

## Objects of the issue

The company proposes to utilise the net proceeds from the issue towards the following objects:

- ⇒ Funding the working capital requirements;
- ⇒ General corporate purposes.

## Investment Rationale

### The second-largest digital-first jewellery brand in India, offering an omnichannel retail experience

BlueStone, the second-largest digital-first omnichannel jewellery brand in India by revenue for FY24, stands out with its robust omnichannel strategy, offering a seamless and personalised shopping experience across online and offline platforms. With a market share of 28-32% among omni-channel jewellery retailers in 2024, BlueStone's approach leverages its website, mobile app, and physical stores to enhance customer engagement. As per RedSeer estimates, 50-60% of overall jewellery purchases in 2024 are "online influenced," highlighting the increasing importance of digital channels in the jewellery sector. BlueStone aggregates online demand and fulfills it through a hybrid approach, further boosting its customer reach. The brand's innovative offerings, such as "Try at Home" services, same-day delivery, and a highly effective marketing strategy, contribute to a high repeat customer rate, with 44.6% of revenue from repeat customers in FY25. Furthermore, BlueStone's in-house manufacturing setup, producing over 75% of its jewellery, ensures control over quality and faster time-to-market. The company's strong brand presence is reinforced by targeted digital marketing, influencer collaborations, and consistent engagement across social media platforms, amassing millions of followers. Additionally, BlueStone's unique customer offerings, including the Big Gold Upgrade and Gold Mine 10+1 Monthly Instalment Plan, differentiate it in the competitive landscape. With a solid brand identity, high user engagement, and innovative customer-centric policies, BlueStone is well-positioned for sustained growth, making it an attractive investment opportunity.

### Differentiated approach to product and design provides a competitive positioning in the market

BlueStone's focus on unique and modern jewellery designs gives it a strong position in the market, especially with its target audience of women, men, and couples aged 25 to 45 who value individuality and style. The company stands out by offering jewellery that reflects customers' personal tastes, with designs created in-house and supported by advanced technology. This allows BlueStone to stay on top of fashion trends and offer fresh, trendy collections. Its ability to offer jewellery at various price points, from affordable daily wear to high-end pieces, helps it serve customers at different stages of life. With a growing demand for daily wear jewellery, expected to grow at a CAGR of 15-18% to reach a market size of Rs. 4,600-5,100 billion (USD 53-60 billion) in 2029, contributing to 40-45% of the overall jewellery market, BlueStone with 7,400 designs and 91 collections of jewellery products across its 16 product categories, including rings, earrings, pendants, bracelets, necklaces, chains, and bangles which ranges from Rs. 5,000 to Rs. 1,700,000 and above, providing affordable daily wear jewellery as well as high-end pieces positions them well to capture this growing market. The

## Issue Details

Offer Period	11 <sup>th</sup> Aug 2025 - 13 <sup>th</sup> Aug 2025
Price Band	Rs. 492 to Rs. 517
Bid Lot	29
Listing	BSE & NSE
Issue Size (no. of shares in mn)	29.8
Issue Size (Rs. in bn)	15.4
Face Value (Rs.)	1

## Issue Structure

QIB	75%
NIB	15%
Retail	10%

BRLM	Axis Capital Ltd., IIFL Capital Services Ltd., Kotak Mahindra Capital Company Ltd.
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Registrar	KFin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	18.3	7.2
Public	81.7	92.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

(Assuming issue subscribed at higher band)

**Research Team - 022-61596138**

# BlueStone Jewellery & Lifestyle Ltd.

company's Average Order Value (AOV) has steadily increased, reaching Rs. 47,671.3 in FY25, up from Rs. 41,204.7 in FY24, reflecting rising consumer confidence in higher-value purchases. Additionally, BlueStone offers full transparency by providing detailed product information, including certificates of authenticity from renowned laboratories like IGI and GIA for its diamonds and solitaires. This combination of fresh designs, extensive product variety, and commitment to transparency gives BlueStone a competitive edge.

## Valuation

India's jewellery industry is experiencing strong growth, driven by rising disposable incomes, shifting consumer preferences toward daily wear and studded designs, and increasing digital adoption. With 50-60% of jewellery purchases in 2024 being digitally influenced and a growing demand for convenience and personalised experiences, the online jewellery segment presents a significant and fast-expanding opportunity for digital-first and omnichannel brands. Bluestone Jewellery is well positioned in this landscape as a digital-first, omni-channel brand with 275 stores across 117 cities in 26 states and union territories, consistently capturing young, urban customers drawn to its tech-enabled, customisable product offerings and rapid store expansion. Further deepen its market penetration, the company plans to expand its current omnichannel network by leveraging its technology while enhancing its product offering and becoming a lifecycle jeweller. With aggressive plans for further expansion into Tier II and III cities and continuous product innovation, the company is well-prepared for future industry shifts and growth at scale. Financially, the company demonstrated a robust growth in its topline by growing revenue at a CAGR of 51.5% from Rs. 7,707 million in FY23 (standalone) to Rs. 17,700 million in FY25 (consolidated). The company faced profitability issues, with net loss widening from Rs. 1,672 million in FY23 (standalone) to Rs. 2,218 million in FY25 (consolidated). Further, the company has increased its debt from Rs. 442 million in FY23 to Rs. 1,973 million in FY25, raising concerns about its financial sustainability. Moreover, the company is holding huge inventories of Rs. 16,525 million in FY25. Additionally, the company intends to use the amount raised through IPO towards fulfilling its working capital needs and not to repay the debt. **Given the rising debt levels and persistent loss-making status, we recommend an "Avoid" rating. We will reassess our recommendation if there is a sustained improvement in financial metrics in future.**

## Key Risks

- ⇒ There have been instances of non-compliance by the company, particularly regarding certain secretarial and regulatory filings related to corporate actions taken in the past. As a result, the company may face regulatory actions and penalties for these non-compliances, which could adversely impact its business, financial condition, and reputation.
- ⇒ The company purchases and manufactures inventory in anticipation of sales. As of March 31, 2025, the company's inventory was Rs. 16,525 million. If the company fails to manage its inventory effectively, its business and operational results could be adversely impacted.
- ⇒ The seasonality of the company's business affects its quarterly results and increases strain on its operations.

# BlueStone Jewellery & Lifestyle Ltd.

## Income Statement (Rs. in millions)

Particulars	FY23 (Standalone)	FY24 (Standalone)	FY25 (Consolidated)
<b>Revenue</b>			
Revenue from Operations	7,707	12,658	17,700
<b>Total Revenue</b>	<b>7,707</b>	<b>12,658</b>	<b>17,700</b>
<b>Expenses</b>			
Cost of raw materials consumed	7,176	12,347	17,215
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1,925	-4,803	-6,230
Employee Benefits Expenses	912	1,384	2,026
Other expenses	2,104	3,200	3,938
<b>Total Operating Expenses</b>	<b>8,268</b>	<b>12,128</b>	<b>16,949</b>
<b>EBITDA</b>	<b>-560</b>	<b>530</b>	<b>751</b>
Depreciation & amortization	617	953	1,475
<b>EBIT</b>	<b>-1,177</b>	<b>-422</b>	<b>-724</b>
Finance costs	667	1,377	2,075
Other Income	172	377	600
Impairment losses on financial assets	0	0	-19
<b>PBT</b>	<b>-1,672</b>	<b>-1,422</b>	<b>-2,218</b>
Total Tax	0	0	0
<b>PAT</b>	<b>-1,672</b>	<b>-1,422</b>	<b>-2,218</b>
<b>Diluted EPS</b>	<b>-92.1</b>	<b>-78.4</b>	<b>-79.7</b>

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in millions)

Particulars	FY23 (Standalone)	FY24 (Standalone)	FY25 (Consolidated)
Cash Flow from operating activities	271	-1,812	-6,658
Cash flow from investing activities	-2,048	-3,816	-842
Cash flow from financing activities	1,961	5,948	7,397
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>184</b>	<b>320</b>	<b>-104</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>87</b>	<b>271</b>	<b>592</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>271</b>	<b>591</b>	<b>488</b>

Source: RHP, BP Equities Research

# BlueStone Jewellery & Lifestyle Ltd.

## Balance Sheet (Rs. in millions)

Particulars	FY23 (Standalone)	FY24 (Standalone)	FY25 (Consolidated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	853	1,238	2,660
Right-of-use assets	3,590	4,610	7,433
Capital work-in-progress	8	167	44
Other intangible assets	2.91	2	37
Intangible asset under development	-	-	10
Investments accounted for using the equity method	-	-	86
Financial assets			
i) Other financial assets	216	4,106	2,123
Non-current tax assets (net)	13	36	117
Other non-current assets	662	1,002	1,516
<b>Total Non Current assets (A)</b>	<b>5,342</b>	<b>11,161</b>	<b>14,025</b>
<b>Current assets</b>			
Inventories	3,953	9,912	16,525
Financial assets			
i) Investments	-	-	508
ii) Loans	12	0	-
iii) Trade receivables	11	24	56
iv) Cash and cash equivalents	271	591	488
v) Bank balances other than (iv) above	2,319	474	1,381
vi) Other financial assets	522	2,194	1,994
Other current assets	122	178	345
<b>Total Current Assets (B)</b>	<b>7,210</b>	<b>13,374</b>	<b>21,297</b>
<b>TOTAL ASSETS (A+B)</b>	<b>12,552</b>	<b>24,535</b>	<b>35,323</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	92	279	297
Other equity	-811	3,463	8,771
<b>Equity attributable to the owners of the parent</b>	<b>-718</b>	<b>3,742</b>	<b>9,068</b>
Non-controlling interest	0	0	40
<b>TOTAL - EQUITY (C)</b>	<b>-718</b>	<b>3,742</b>	<b>9,107</b>
<b>Liabilities</b>			
Financial liabilities			
i) Borrowings	442	1,851	1,973
ii) Lease liabilities	3,319	4,301	7,053
iii) Other financial liabilities	1,611	325	143
Provisions	46	34	35
<b>Total Non-Current Liabilities (D)</b>	<b>5,418</b>	<b>6,512</b>	<b>9,204</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	1,842	2,453	5,313
ii) Gold on loan	2,212	4,425	3,866
iii) Lease liabilities	410	588	944
iv) Trade payables	784	2,167	1,647
v) Other financial liabilities	1,564	2,713	2,349
Provisions	3.22	21	28
Other current liabilities	1,040	1,915	2,864
<b>Total Current Liabilities (E)</b>	<b>7,852</b>	<b>14,282</b>	<b>17,011</b>
<b>Total Equity and Liabilities (C+D+E)</b>	<b>12,552</b>	<b>24,535</b>	<b>35,323</b>

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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