BLUESTONE JEWELLERY & LIFESTYLE LTD.

August 08, 2025

BLUESTONE™

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**Jewellery**
Offer for sale (Shares)	13,939,063
Fresh Issue (Shares)	15,860,735
Net Offer to the Public	**29,799,798**
Issue Size (Rs. Cr.)	1466-1541
Price Band (Rs.)	492-517
Offer Date	11-Aug-25
Close Date	13-Aug-25
Face Value	1
Lot Size	29

Issue Composition

	In shares
Total Issue for Sale	29,799,798
QIB	22,349,849
NIB	4,469,970
Retail	2,979,980

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	18.28%	16.36%
QIB	81.72%	78.71%
NIB	0.00%	2.95%
Retail	0.00%	1.97%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company BlueStone Jewellery IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding working capital requirements
2. General Corporate Purposes

Book Running Lead Manager

- Axis Capital Limited
- IIFL Capital Services Limited
- Kotak Mahindra Capital Company Limited

Name of the registrar

- KFin Technologies Limited

About the company

BlueStone Jewellery and Lifestyle Limited manufactures and provides diamond, gold, platinum and studded jewellery under its flagship brand, BlueStone. The company has a pan-India presence with 275 stores across 117 cities in 26 States and Union Territories in India, as of March 31, 2025, servicing over 12,600 PIN codes across India. As of March 31, 2025, the company's network of stores comprised 200 company-owned stores ("Company Stores") and 75 franchisee stores ("Franchisee Stores") with an aggregate area of over 605,000 square feet. The company offers a wide range of product offerings including rings, earrings, necklaces, pendants, solitaires, bangles, bracelets and chains that cater to diverse customer segments and are retailed at varied price points. As of March 31, 2025, BlueStone had 91 collections (defined as a set of jewellery designs created with a specific theme) of jewellery products.

Strength

India's Second-Largest Digital-First Omni-Channel Jewellery Brand: Bluestone ranks as India's second-largest digital-first omni-channel jewellery brand by revenue in FY24, commanding a 28%-32% share among similar players. Its integrated retail model spans a website, mobile app, and a growing network of 275 physical stores, delivering a seamless customer experience. Signature services like the 'Big Gold Upgrade' and a high customer repeat rate underline its differentiated value proposition. Despite low marketing spends, Bluestone enjoys strong brand recall and high social media engagement, reflecting its efficient customer acquisition and retention strategies.

Proprietary Tech Infrastructure Powering Operations: Bluestone's operations are underpinned by a proprietary, end-to-end technology stack developed in-house by a 42-member tech team. This architecture supports high-fidelity product visualization through 360-degree videos, try-at-home features, and AI-driven inventory management. Machine learning tools analyze customer behavior to inform design, merchandising, and supply chain decisions—boosting gross margins and inventory turnover. The platform uses a unified customer ID to personalize engagement across channels, enabling targeted upselling and cross-selling. Real-time analytics further guide store expansion and product innovation, resulting in India's highest GMROI among jewellery retailers in Fy24.

In-House Design and Fast Manufacturing Capabilities: Bluestone distinguishes itself through exclusive in-house jewellery designs tailored for the 25–45 age group seeking modern aesthetics. Its vertically integrated manufacturing units in Mumbai, Jaipur, and Surat employ advanced technologies like 3D printing and CNC, enabling precision and rapid turnaround. This setup makes Bluestone the fastest among peers in bringing products from design to shelf. With certified diamonds and a broad product portfolio across price points, the company ensures quality and authenticity, reinforcing customer trust and brand differentiation.

Expansive Retail Footprint with Strong Unit Economics: As of March 31, 2025, Bluestone operated 275 stores across 117 cities—including 200 company-owned and 75 franchisee outlets—positioned in premium malls and high-footfall locations. These stores, averaging 2,200 sq. ft., serve as an offline extension of its digital platform. The retail network has grown at a pace of 60 stores annually since FY23, driven by data-backed site selection using online customer preferences at the PIN code level. Over 75% of stores turn profitable within three months, with increasing store density improving operating leverage

and market penetration. The company's repeat revenue share rose to 44.61% in FY25, underlining the success of its omni-channel strategy and focus on unit-level profitability.

STRATEGY

Strengthening Omni-Channel Expansion: Bluestone's omni-channel strategy continues to be a key pillar of its growth, with 93.34% of revenue in FY25 coming from stores and other offline channels. The company plans to open over 290 new stores by FY27, targeting key micro-markets such as Maharashtra, Delhi-NCR, and Uttar Pradesh, along with deeper penetration into Tier-II and Tier-III cities. Expansion efforts are guided by data analytics from its online platform, enabling precise location targeting and store density optimization. This strategy has driven consistent growth in per-store monthly revenue (PSPM) across city tiers and helped deepen market presence, as evidenced by the company's success in Lucknow. Bluestone is also placing greater emphasis on increasing the share of company-owned stores to reduce reliance on franchisee operations.

Positioning as a Lifecycle Jewellery Brand: Bluestone is redefining its market position by focusing on the underpenetrated daily wear jewellery segment, distinguishing itself from traditional wedding-centric brands. With a portfolio of over 7,400 designs across 91 collections, the company aims to be a lifecycle jeweller—serving customers from daily adornment to milestone occasions. This comprehensive product strategy is designed to foster repeat purchases and higher-value transactions over time. By continuously enhancing its merchandise mix and design range, Bluestone targets improved same-store sales, increased average order value, and stronger store-level profitability—ultimately accelerating inventory turnover and customer conversion rates. The company sees continued potential to expand into new product categories and broaden its design spectrum.

Investing in Brand Equity and Customer Engagement: To build deeper customer relationships and expand its reach, Bluestone is investing significantly in brand building and performance marketing. Its approach blends digital campaigns with customer-centric initiatives like the 'Big Gold Upgrade' program to enhance awareness and engagement. Marketing spend rose to ₹1,591.66 million in FY25—representing 8.99% of operating revenue—reflecting its strategic commitment to scaling its customer funnel. The brand aims to ensure consistency across all touchpoints—online and offline—while strengthening loyalty through tailored promotions and new rewards programs. Investments are also being made in training sales teams and enhancing technology to provide enriched customer service and improved product knowledge, creating a superior shopping experience.

Driving Operational Efficiency Through Technology: Technology is at the heart of Bluestone's strategy to modernize the jewellery retail experience. The company applies data-driven insights across functions—from merchandising and manufacturing to sales and support—to deliver personalization and streamline operations. By leveraging behavioral data from search, transactions, and payments, Bluestone refines customer targeting and optimizes inventory management. Predictive analytics guide new product introductions, align inventory with demand, and reduce excess stock. This integrated use of technology not only improves efficiency but also enables the company to stay ahead of evolving trends, reinforcing its market leadership and delivering a differentiated customer experience.

Scaling the Big Gold Upgrade Program: Bluestone's "Big Gold Upgrade" program, launched in April 2023, taps into India's tradition of exchanging old gold to acquire new jewellery. The initiative appeals to customers holding legacy gold—often from unorganized retailers—by allowing them to upgrade to modern designs and higher caratage pieces. The program enables upgrades from 18K to 20K or 22K to 24K gold, offering full market value for old jewellery and easing purchase decisions for new items. By scaling this initiative, Bluestone aims to expand its customer base, reduce dependency on fresh bullion, and boost store revenues—while addressing an underserved segment of the jewellery market.

Risk Factor

- The company has a track record of non-compliance with certain secretarial and regulatory filing requirements.
- Bluestone's revenue growth is closely tied to its ability to attract new customers and retain existing ones. Any inability to improve its Repeat Revenue Ratio—44.61% in FY25—or sustain its Average Order Value of ₹47,671.26 in the same period may negatively affect revenue growth and overall profitability.
- As of March 31, 2025, Bluestone's inventory stood at ₹16,525.47 million, reflecting a significant increase. Ineffective inventory management could lead to higher carrying costs, stock obsolescence, or liquidity constraints, thereby adversely affecting business operations and financial performance.
- The company reported negative cash flows from operating activities amounting to ₹665.83 Crore in FY25 and ₹181.16 crore in FY24. Persistent negative cash flows may impair Bluestone's liquidity position and limit its ability to fund operational or strategic initiatives, posing a risk to its financial health.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Titan Company	57143.00	3337.00	37.58	90.92	26.10	130.93	1	3416.75	303334.34
PC Jeweller	2244.60	577.70	0.89	15.76	1.46	9.61	1	14.03	9225.25
Senco Gold	6328.07	159.31	9.73	34.53	2.79	120.37	5	336.00	5499.68
Thangamayil Jew.	4910.58	118.71	34.70	55.58	5.44	354.66	10	1928.60	5994.48
Kalyan Jewellers	25045.07	714.80	6.93	84.99	12.65	46.56	10	589.00	60778.62
BlueStone Jewellery & Lifestyle Ltd.	1770.00	-221.84	-ve	-ve	4.52	114.38	1	517.00	7823.26

***Peer companies financials are TTM based**
****BlueStone Jewellery & Lifestyle Ltd. based on Actual FY25**

Valuation

The company is loss making, we are considering the P/Bv valuation , on the upper end of the price band of Rs.517, pre - issue book value of Rs.67.23 of P/Bvx 7.69x. Post issue, book value of Rs.114.38 of P/Bvx 4.52x.

Looking at the P/B ratio on the lower end of the price band of Rs.492, pre issue, book value of Rs. 67.23 of P/Bvx 7.32x. Post issue, book value of Rs.114.38 of P/Bvx 4.30x.

Industry Outlook

The global jewellery market is expanding due to digitization and globalization, and India is a major player, surpassing the US in 2024 to become the second-largest market globally1. The Indian jewellery market is projected to reach a size of ₹11,000-12,000 billion (USD 130-140 billion) by 2029, growing at a CAGR of 12%-14% between 2024 and 20292. This growth is driven by several factors, including rising discretionary incomes, a young urban population that values fashion, the emergence of financially independent working women, and a cultural shift where jewellery is increasingly seen as a fashion accessory3. A favorable regulatory environment, strong craftsmanship, and schemes like the Gold Metal Loan also contribute to this growth4. The daily wear jewellery segment, specifically, is a key growth area, expected to grow at a CAGR of 15%-18% to reach a market size of ₹4,600-5,100 billion (USD 53-60 billion) by 2029, and is anticipated to contribute to 40%-45% of the overall jewellery market5.

Outlook

Bluestone's strong omni-channel presence, in-house design capabilities, and tech-driven operations position it well for sustained growth in India's evolving jewellery market. Its strategic focus on daily wear, customer lifecycle engagement, and data-backed expansion supports revenue visibility. However, risks such as high inventory levels, regulatory non-compliance history, and negative cash flows could impact financial stability. Continued success will depend on improving repeat revenue, managing working capital efficiently, and strengthening compliance. Overall, the company has strong growth potential, tempered by execution and regulatory risks.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	11-August-25
BID/ISSUE CLOSES ON	13-August-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	14-August-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	18-August-25
Credit of Equity Shares to Demat Accounts of Allottees	18-August-25
Commencement of trading of the Equity Shares on the Stock Exchanges	19-August-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	1770.00	1265.84	770.73
Total expenditure	1694.90	1212.79	826.76
Operating Profit	**75.11**	**53.05**	**-56.03**
OPM%	0.42	0.42	-0.73
Other Income	60.03	37.65	17.17
Total Net Income	**135.14**	**90.70**	**-38.87**
Interest	207.55	137.67	66.69
PBDT	**-72.40**	**-46.97**	**-105.55**
Depreciation	147.49	95.27	61.69
Loss before share of profit / (loss) of investments accounted for using the equity method and tax	**-219.89**	**-142.24**	**-167.24**
Share of loss in investments accounted for using the equity method	-1.94	0.00	0.00
PBT	**-221.84**	**-142.24**	**-167.24**
Tax	0.00	0.00	0.00
PAT	**-221.84**	**-142.24**	**-167.24**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	265.99	123.83	85.34
Right-of-Use Assets	743.28	461.04	359.00
Capital work-in-progress	4.36	16.66	0.80
Other intangible assets	3.68	0.19	0.29
Intangible asset under development	1.03	0.00	0.00
Investments accounted for using the equity method	8.56	0.00	0.00
Financial Assets			
Other financial assets	212.30	410.61	21.63
Non-current tax assets (net)	11.75	3.63	1.27
Other non-current assets	151.60	100.18	66.17
Total non-current assets	**1402.54**	**1116.13**	**534.49**
Current asset			
Inventories	1652.55	991.22	395.32
Financial Assets			
Investments	50.84	0.00	0.00
Loans	0.00	0.04	1.21
Trade receivables	5.61	2.38	1.06
Cash and cash equivalents	48.78	59.14	27.10
Bank balances other than (iv) above	138.12	47.36	231.86
Other financial assets	199.39	219.40	52.20
Other current assets	34.48	17.83	12.25
Total current assets	**2129.75**	**1337.36**	**720.99**
Total Assets	**3532.28**	**2453.49**	**1255.49**
Non-current liabilities			
Financial Liabilities			
Borrowings	197.28	185.14	44.22
Lease liabilities	705.27	430.12	331.90
Other financial liabilities	14.33	32.51	161.06
Provisions	3.54	3.39	4.58
Total Non- Current liabilities	**920.43**	**651.16**	**541.76**
Current liabilities			
Financial Liabilities			
Borrowings	531.34	245.29	184.20
Gold on loan	386.55	442.46	221.24
Lease liabilities	94.38	58.81	41.03
Trades Payable - total outstanding dues of micro enterprises and small enterprises	28.30	41.86	13.10
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	136.44	174.89	65.28
Other financial liabilities	234.88	271.26	156.40
Provisions	2.85	2.05	0.32
Other current liabilities	286.39	191.55	103.98
Total Current liabilities	**1701.11**	**1428.16**	**785.55**
Total	**2621.54**	**2079.32**	**1327.31**
Net worth represented by:			
Equity Share Capital	29.66	27.90	9.23
Other equity	877.12	346.28	-81.06
Non-controlling interest	3.97	0.00	0.00
Net Worth	**910.74**	**374.17**	**-71.83**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

E-mail: researchfeedback@smcindiaonline.com

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park , A Wing 401 / 402 ,
4th Floor ,Graham Firth Steel Compound,
Off Western Express Highway, Jay Coach Signal,
Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-28805606

Kolkata Office:
18, Rabindra Sarani,
Poddar Court,Gate No.- 4, 5th Floor, Kolkata-700001
Tel: 91-33-39847000, Fax: 91-33-39847004

Investments in securities market are subject to market risks, read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. The securities quoted are for illustration only and are not recommendatory. SMC is a SEBI registered Research Analyst having registration number INH100001849. CIN : L74899DL1994PLC063609.

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities market. SMC or its associates or its Research Analyst or his relatives do not hold any financial interest in the subject company interest at the time of publication of this Report. SMC or its associates or its Research Analyst or his relatives do not hold any actual/beneficial ownership of more than 1% (one percent) in the subject company, at the end of the month immediately preceding the date of publication of this Report. SMC or its associates its Research Analyst or his relatives does not have any material conflict of interest at the time of publication of this Report.

SMC or its associates/analyst has not received any compensation from the subject company covered by the Research Analyst during the past twelve months. The subject company has not been a client of SMC during the past twelve months. SMC or its associates has not received any compensation or other benefits from the subject company covered by analyst or third party in connection with the present Research Report. The Research Analyst has not served as an officer, director or employee of the subject company covered by him/her and SMC has not been engaged in the market making activity for the subject company covered by the Research Analyst in this report.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject company.

Disclaimer: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s)in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions. Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance if this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the securities thereof, of the subject company(ies) mentioned here in; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company(ies) discussed herein or may perform or seek to perform investment banking services for such company(ies) or act as advisor or lender/borrower to such subject company(ies); or (c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.