



LONG TERM SUBSCRIBE

IPO Report

11th Aug '25

Snapshot

Company offer contemporary lifestyle diamond, gold, platinum and studded jewellery under company's flagship brand, *BlueStone*. Company is a digital first direct-to-consumer ("DTC") brand focussed on ensuring a seamless omnichannel experience for customers and are the second largest digital-first omni-channel jewellery brand in India, in terms of revenues in Fiscal 2024. Company retail its products through its website *www.bluestone.com* and company's mobile application available on iOS and Google Play Store, in addition to company's pan-India network of stores.

VALUATION

Company is bringing the issue at price band of Rs 492-517 per share at p/b multiple of approx. 4.5x on post issue basis. Company is second largest digital-first jewellery brands in India in terms of revenues in Fiscal 2024 offering an omnichannel retail experience across website, mobile application and stores. Also, company has pan-India presence across tier-I, tier-II and tier-III cities operating through a combination of Company Stores and Franchisee stores with healthy unit economics. However looking after financials, we are recommending " Long Term Subscribe" to the issue.

Price Band (Rs./Share)	492-517
Opening date of the issue	11th Aug '2025
Closing Date of the issue	13th Aug '2025
No of shares pre issue	13,54,59,637 Eq Shares
Issue Size	Rs 1506-1541 Cr
Fresh issue	Rs 820 Cr
Offer For Sale	13,939,063 Eq Shares
Face Value (Rs/ share)	Rs 1/share
Bid Lot	29

BIDDING DETAILS

QIBs (Including Anchor)	75% of the offer (Approx 2,23,49,850 Eq Shares)
Non-Institutional	15% of the offer (Approx 44,69,969 Eq Shares)
Retail	10% of the offer (Approx 29,79,979 Eq Shares)
Lead managers	Axis Capital, IIFL Capital Services, Kotak Mahindra Capital
Registrar to the issue	KFin Technologies Limited

WHAT WE LIKE

Second largest digital-first jewellery brands in India offering an omni-channel retail experience

Company is the second largest digital-first omni-channel jewellery brands in India, in terms of revenues in Fiscal 2024. (Source: *RedSeer Report*) Company's market share among omni-channel players in the jewellery industry was 28% - 32% in 2024. (Source: *RedSeer Report*) An omnichannel approach is critical, especially for high-ticket discretionary items like jewellery.

Advanced Manufacturing Capabilities with Vertically Integrated Operations

Company's vertically integrated manufacturing process ensures that company incur limited costs in relation to third-party manufacturing, as company handle production in-house, ensuring flexibility and control over its manufacturing processes and consistency in its product offerings and resulting in economies of scale. Company employ 3D printing in the manufacturing process which allows company to create designs with intricate details and accuracy which company believe is one of the limitations of traditional jewellery manufacturing. With 3D printing, company's designers can prototype and iterate their designs, thereby reducing time to market and enabling faster product development cycles.

Pan-India Presence Across Tier-I, Tier-II and Tier-III Cities with Healthy Unit Economics

Company believe that its pan-India store presence is an extension of its online channel and provide company with the ability to interact with its customers in person which it believe further drives customer engagement and increases its brand visibility. Company is among the few jewellery brands with a pan-India presence. Company provide a uniform view of its products across its physical stores and online channels. Company operate through a combination of Company Stores and Franchisee stores. All stores are operated by the Company while certain stores are owned by franchisees. Company opened company's first physical store in New Delhi in 2018, and have significantly expanded its retail presence since then and as of March 31, 2025, company had 275 stores across 117 cities in 26 States and Union Territories in India, including 200 Company Stores and 75 Franchisee Stores with an aggregate area of over 605,000 square feet.



COMPANY BACKGROUND

The *BlueStone* brand was launched in 2011 and has over the years grown to become a leading brand among Leading Jewellery Retailers. As a design-led brand, company offer a variety of designs across various price points tailored to various occasions and customer preferences. Company focus on designing jewellery for women, men and couples between the ages of 25 to 45 years who value unique designs, modern styles and have a tendency to discover brands through social media or online channels.

Company's wide range of product offerings includes rings, earrings, necklaces, pendants, solitaires, bangles, bracelets and chains cater to diverse customer segments and are retailed at varied price points. As of March 31, 2025, company had 91 collections (defined as a set of jewellery designs created with a specific theme) of jewellery products.

As on the date, company operate three manufacturing facilities located in Mumbai, Maharashtra, Jaipur, Rajasthan and at Surat, Gujarat. Company have been growing its manufacturing capacity over the years to cater to increase in volumes and demand for its products and currently an additional manufacturing facility in Jaipur, Rajasthan is under-construction. Capacity utilization for its Mumbai, Maharashtra facility was 98.57%, 78.19% and 83.91% in Fiscal 2025, 2024 and 2023, respectively. Further, capacity utilization for its Jaipur, Rajasthan facility was 81.72%, 80.34% and 31.75% in Fiscal 2025, 2024 and 2023, respectively (Company's manufacturing facility located at Jaipur, Rajasthan became operational during Fiscal 2023). Capacity utilization for its Surat, Gujarat facility that commenced operations in May 2024 was 68.25% in Fiscal 2025.

Company offer customers an omni-channel experience with an endeavour to ensure a smooth and consistent shopping experience across various touchpoints. Company's omni-channel approach caters to customers preferences and convenience and endeavours to ensure that the purchase of jewellery is a personalized and intimate experience. In its experience, an omni-channel approach allows customers to have a cohesive shopping experience by offering them the ability to browse its products online, get assistance in-store, and make purchase decisions either online or at its stores in-person. Building a true omni-channel experience in the jewellery sector is difficult when compared to other retail sectors with a moderate internet penetration in India (defined as categories with an internet penetration in the range of 5% - 22% of total retail sales in Fiscal 2025). Company is among the few pan-India players that have successfully developed a true omni-channel presence.



INVESTMENT RATIONALE

<p><i>In-house Technology Architecture Driving End-to-End Business Operations</i></p>	<p>Company use technology to deliver a customized customer experience, improve marketing and operational efficiencies, curate store inventory and merchandising. Company also leverage technology to develop new product designs that reflect customer preferences. As of March 31, 2025, company's in-house technology team comprised 42 members who focus on continuously enhancing company's omni-channel capabilities to help automate and improve processes.</p> <p>Company have enhanced its online rendering of jewellery through investment in technology. Company believe that in order to create meaningful customer experience, an accurate online rendering of its jewellery products is important, and in order to ensure that company's customers have a smooth experience, company endeavour to provide an accurate online picture of products through its website and mobile application, including having photographs from multiple angles, a size visualisation option, a video to capture a 360 degree view of the product, and a try-at-home or videoconferencing option.</p>
<p><i>Differentiated Approach to Product and Design</i></p>	<p>Company's target customers are women, men and couples between the ages of 25 to 45 who value unique designs and modern styles of diamond, gold, platinum and gemstone jewellery. In company's experience, these customers prefer unique and unconventional designs over traditional designs with an emphasis on individuality and self-expression reflecting their distinct personality and aesthetic sensibilities. Company believe, it is able to maintain differentiation for its products given company design all its products in-house. As a result, company is able to engage with customers at different stages of their life, with jewellery purchases resulting in increased monetization. Jewellery tailored for other occasions beyond traditional celebrations is gaining traction, particularly due to its design-led approach, which integrates a higher component of studded elements such as diamonds and precious stones. It is expected that the daily wear jewellery segment will grow at a CAGR of 15% - 18% to reach a market size of ₹ 4,600 billion - ₹ 5,100 billion (USD 53 billion - USD 60 billion) in 2029, contributing to 40% - 45% of the overall jewellery market.</p>
<p><i>Advanced Manufacturing Capabilities with Vertically Integrated Operations</i></p>	<p>Company's vertically integrated manufacturing process ensures that company incur limited costs in relation to third-party manufacturing, as company handle production in-house, ensuring flexibility and control over company's manufacturing processes and consistency in its product offerings and resulting in economies of scale. Company employ 3D printing in the manufacturing process which allows it to create designs with intricate details and accuracy which company believe is one of the limitations of traditional jewellery manufacturing. With 3D printing, company's designers can prototype and iterate their designs, thereby reducing time to market and enabling faster product development cycles.</p> <p>By leveraging computer numerical control ("CNC") technology, company is able to produce intricate and highly detailed designs with exceptional accuracy, which in its experience is difficult to achieve through traditional methods. The use of CNC technology has also allowed for automated carving and cutting of raw materials based on its computer-aided designs. Company's CNC machines replicate these designs consistently and at high speeds, reducing human error and ensuring uniformity across all its pieces. By integrating CNC technology into company's manufacturing process, company believe it is able to maintain high standards of quality and innovation, thereby resulting in a more cost-effective production cycle.</p>



OBJECTS OF OFFER

Company proposes to utilize the Net Proceeds towards funding of the following objects (collectively, referred to as “Objects”):

- a. Funding company’s working capital requirements; and
- b. General corporate purposes.

RISKS

Company have not generated any profits since inception. Company have experienced loss of ₹ 2,218.37 million, ₹ 1,422.36 million and ₹ 1,672.44 million in Fiscal 2025, 2024 and 2023, respectively and had negative total equity of ₹ 718.26 million in Fiscal 2023. Any loss or negative total equity in future periods could adversely affect company’s operations, financial conditions, and the trading price of its Equity Shares.

Source:RHP

INDUSTRY OVERVIEW

Robust growth of organised retail has significantly enhanced the appeal of jewellery brands

The growing popularity of branded jewellery signifies a maturing market. Customers are focusing not only on the intrinsic value of gemstones and metal but also on the trust, quality, and design associated with an established brand. Therefore, the branded jewellery market in India grew from ₹ 1,327 billion (approximately USD 16 billion) in 2019 to ₹ 2,219 billion (approximately USD 26 billion) in 2024. Between 2021 and 2024, the branded market grew at approximately 21% CAGR, recovering from the impact of COVID-19, with the segment’s contribution growing to approximately 35% of the overall jewellery market. With increasing consumer awareness and shifting preferences, consumers are now more inclined towards branded jewellery, which offers them better designs, higher quality, and transparency in pricing. The market is projected to grow further to ₹ 5,000 billion - ₹ 5,100 billion (USD 58 billion - USD 60 billion) in 2029, occupying a share of 43%-45% of the overall market.


Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	7707.26	12658.39	17700.02
Total Expenditure (B)	8267.59	12127.9	16948.95
EBIDTA	-560.33	530.49	751.07
EBIDTA Margin	-7.27	4.19	4.24
Other Income	171.68	376.52	600.34
Depreciation	616.94	952.66	1474.89
EBIT	-1005.59	-45.65	-123.48
Interest	666.85	1376.71	2075.46
PBT	-1672.44	-1422.36	-2198.94
Share of profit in Asso	0.00	0.00	0.00
PBIT	-1672.44	-1422.36	-2198.94
Exceptional	0.00	0.00	0.00
PBT	-1672.44	-1422.36	-2198.94
Tax	0.00	0.00	0.00
PAT	-1672.44	-1422.36	-2198.94
NPM	-21.70	-11.24	-12.42
ROE%	--	-38.01	-24.45
EPS	-92.14	-78.36	-79.74
Eq Cap	92.29	278.95	296.56
Net Worth	10.74	3,741.72	9,107.40

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
Bluestone Jewellery and Lifestyle Limited	1.00	-79.74	---	-24.45	257.35
Peers					
Titan Company Limited	1.00	37.62	88.14	28.71	130.93
Kalyan Jewellers India Limited	10.00	6.93	84.10	14.87	46.57
Senco Gold Limited	5.00	10.09	31.17	8.09	120.37
Thangamayil Jewellery Ltd	10.00	42.00	45.47	10.77	354.66
PC Jeweller Limited	1.00	1.13	22.76	9.33	9.46



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