



IPO Note

BlueStone Jewellery and Lifestyle Limited

Recommendation: **AVOID**

Business – BlueStone Jewellery and Lifestyle Limited offer contemporary lifestyle diamond, gold, platinum and studded jewellery under flagship brand, BlueStone.

Objects of the Issue –

Particulars	Amount
Funding Working Capital Requirements	Rs. 750.00 Cr.
General Corporate Purposes	

Promoters Name – Gaurav Singh Kushwaha

Promoter Share Holding Pattern	
Pre Issue 18.28%	Post Issue 16.36%

Rationale for recommendation –

BlueStone Jewellery and Lifestyle Limited, incorporated on Jul-22, 2011, derives over two-thirds of its revenue from studded jewellery, with the share at 68.31%, 67.44% and 67.88% in FY23, FY24 and FY25. Average order value rose from Rs. 32,038 in FY23 to Rs. 47,671 in FY25, supported by expansion of company-owned stores from 49 to 200, while franchisee stores fell from 106 to 75. Revenue grew 64.24% in FY24 and 39.83% in FY25 on account of same store sales growth, store maturity, higher inventory and new store additions. FY25 revenue was regionally diversified across South (24.34%), West (22.12%), East (14.07%) and North (39.47%), with capacity utilisation at 98.57%, 81.72% and 68.25% in Mumbai, Jaipur and Surat respectively. The company faces 18 pending litigations totalling Rs. 8.28 Cr., high working capital needs partly funded through borrowings and has reported losses and negative operating cash flows since inception. Margins, RoCE and RoE have remained negative, reflecting high costs and inefficient capital utilisation, though leverage is low with stable liquidity ratios. Operating in a competitive market with pricing, quality and marketing as key differentiators, the company's overall financials remain unstable. Management is considered moderate due to promoter dependence and governance observations. Given persistent losses, negative cash flows and competitive pressures, we recommend to **AVOID** the IPO.

IPO Details

Opening Date	Aug 11, 2025
Closing Date	Aug 13, 2025
Allotment Date	Aug 14, 2025
Listing Date	Aug 19, 2025
Stock Exchange	BSE, NSE
Lot Size	29 Shares
Issue Price Per Share	₹492 - ₹517
Issue Size	₹1,540.65 Cr.
Fresh Issue	₹820.00 Cr.
Offer for Sale	₹720.65 Cr.
Application Amt	₹14,993 - ₹1,94,909 (29 – 377 shares)

KPIs (In Crores)

KPI's	FY 23	FY 24	FY 25
Revenue	770.73	1,265.84	1,770.00
EBITDA	-56.03	53.05	73.16
Net Profit	-167.24	-142.24	-221.84
RoCE	-25.05%	-4.12%	-4.06%
ROE	232.85%	-38.01%	-24.46%
P/E	-5.61	-6.60	-6.48

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	-79.74	-14.66
BVPS	258.48	114.38
P/E	-6.48	-35.27
P/BV	2.00	4.52
Mkt Cap (In Cr)	7,003.26	7,823.26

*Annualized

Lead Managers –

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

Registrar –

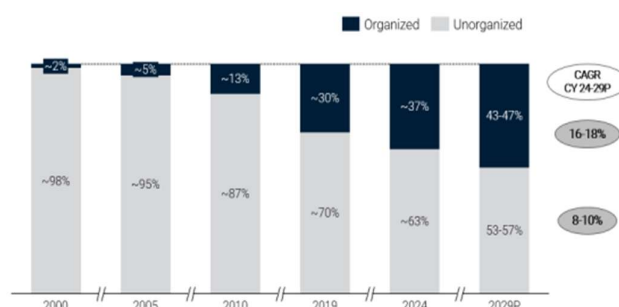
KFin Technologies Limited

Industry Overview –

The growth of the global jewellery market in the next 5 years will be driven by the rapid integration of technology worldwide, international retail chains and growing globalisation. Diamonds and gold dominate the global jewellery market, accounting for 70-80% of the market opportunity. Gemstones, including sapphire, emerald and ruby-studded jewellery, hold approximately 10% share, while platinum comprises a 5%-7% share. India's jewellery market has traditionally been fragmented, with a substantial portion dominated by small and independent retailers. However, recent years have seen a significant shift towards a more organised structure, particularly in urban areas where chain stores have gained a notable market share. In 2024, India's average transaction value is competitively positioned at Rs. 67,000 – Rs. 112,000, which was 30%-60% higher than China (Rs. 50,000 – Rs. 70,000) and 15%-25% lower than the U.S (which stands at Rs. 80,000 – Rs. 1,30,000), indicating strong consumer purchasing power.

Market Size – The top 3 jewellery markets in the world are China, India and the US. China leads the world in the jewellery market, with a size of approximately Rs. 10,400 billion (approximately USD 122 billion), followed by the Indian jewellery market sized at approximately Rs. 6,340 billion (USD approximately 75 billion) and the US market sized at approximately Rs. 6,100 billion (approximately USD 72 billion) as of 2024. The Indian jewellery market has grown steadily at a CAGR of 13%-15% between 2021-2024 and currently stands at approximately Rs. 6,340 billion (USD approximately 75 billion). India has experienced a significant increase in demand for studded jewellery in recent years, growing from approximately Rs. 820 billion (approximately USD 10 billion) in 2021 to approximately Rs. 1,268 billion (approximately USD 15 billion) in 2024 with a CAGR of approximately 16%.

Outlook - India's gems and jewellery industry is expected to grow at a CAGR of around 8–10% between FY24–FY28, driven by rising disposable incomes, wedding demand and export growth. The sector was valued at approximately USD 78–80 billion in FY23, with exports contributing nearly USD 38 billion. Government support through hallmarking mandates and export incentives, along with increasing branded jewellery penetration, is expected to sustain the growth momentum.



Indian Jewellery Market Split

(source : RHP)

Business Overview -

BlueStone Jewellery and Lifestyle Limited offer contemporary lifestyle diamond, gold, platinum and studded jewellery under flagship brand, BlueStone. They are 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. They have pan-India presence with 275 stores across 117 cities in 26 States and Union Territories in India, as of Mar-31, 2025 servicing over 12,600 PIN codes across India. The company was originally incorporated as 'New Age E Commerce Services Private Limited' on Jul-22, 2011.

Company's Subsidiary - Ethereal House Private Limited ('EHPL') is engaged in purchase, sale, manufacturing, e-commerce, import, export, processing, designing of precious and non-precious metals and stones such as lab grown diamonds, gold, silver, platinum, diamond, sapphires, rubies, emeralds and other fashion items.

Company's Product Offerings – Rings, Earrings, Necklaces, Pendants, Solitaires, Bangles, Bracelets, Chains, Mangalsutras, Gold Coins and others

Sales channel-wise Revenue Bifurcation -

(Amt. in Crores)

Particulars	FY2023		FY2024		FY2025	
	Amt	%	Amt	%	Amt	%
Online Sales	120.46	15.63%	107.85	8.52%	117.81	6.66%
Sales from Stores and Other Channels	650.27	84.37%	1,157.99	91.48%	1,652.20	93.34%
Total	770.73	100%	1,265.84	100%	1,770.00	100%

- The company's share of sale of studded jewellery accounted for 68.31%, 67.44% and 67.88% of revenue in FY23, FY24 and FY25 respectively.
- The company's average order value has increased from Rs. 32,038.38 in FY23 to Rs. 47,671.26 in FY25.
- The company's stores has been increased from 49 in FY23 to 200 in FY25 and franchisee stores has decreased from 106 to 75 over the same period, indicating company's focus on own stores.
- The company is well-diversified across regions, contributing 24.34%, 22.12%, 14.07% and 39.47% of revenue in South, West, East and North respectively in FY25.
- The company has capacity utilisation of 98.57%, 81.72% and 68.25% in Mumbai, Jaipur and Surat facilities respectively as of Mar-2025.

Recommendation: **AVOID****Business Strategies -**

- The company aims to expand network of Company Stores to reduce dependencies on franchisees for capital.
- The company plans to grow daily wear segment with a omni-channel model.

FINANCIAL SNAPSHOT

Key Performance Indicators (Amt in Crores)				Key Ratios			
Particulars	FY23	FY24	FY25	Particulars	FY23	FY24	FY25
P&L Statement				Per Share Data			
Total Income	787.89	1,303.49	1,830.04	Diluted EPS	-92.14	-78.36	-79.74
Total Expenses	955.14	1,445.73	2,049.93	BV per share	-39.57	206.13	258.48
EBITDA	-56.03	53.05	73.16	Operating Ratios			
EBIT	-117.73	-42.22	-74.33	EBITDA Margins	-7.27%	4.19%	4.13%
PBT	-167.24	-142.24	-221.84	PAT Margins	-21.70%	-11.24%	-12.53%
Tax Expenses	-	-	-	Inventory days	187.73	286.60	341.71
Net Profit	-167.24	-142.24	-221.84	Debtor days	0.51	0.69	1.16
Balance Sheet				Creditor days	38.08	58.75	34.42
Total Equity	-71.83	374.17	910.74	Return Ratios			
Liabilities				RoCE	-25.05%	-4.12%	-4.06%
Non-Current Liabilities	541.76	651.16	920.43	RoE	232.85%	-38.01%	-24.46%
Current Liabilities	785.55	1,428.16	1,701.11	Valuation Ratios (x)			
Total Liabilities	1,327.31	2,079.32	2,621.54	EV/EBITDA	1.83	13.16	19.85
Assets				Market Cap/Sales	1.22	0.74	1.03
Non-Current Assets	534.49	1,116.13	1,402.54	P/E	-5.61	-6.60	-6.48
Current Assets	720.99	1,337.36	2,129.75	Price to Book Value	-13.07	2.51	2.00
Total Assets	1,255.49	2,453.49	3,532.28	Solvency Ratios			
Cashflow Statement				Debt/Equity	-3.18	1.15	0.80
Operating Cashflow	27.13	-181.16	-665.83	Current Ratio	0.92	0.94	1.25
Investing Cashflow	-204.83	-381.65	-84.23	Quick Ratio	0.41	0.24	0.28
Financing Cashflow	196.08	594.85	739.70	Asset Turnover	0.61	0.52	0.50
				Interest Coverage Ratio	-1.77	-0.31	-0.36

Financial Analysis –

- **Revenue from Operations** – The company's top line increased by 64.24% in FY24 and 39.83% in FY25, primarily due to same store sales growth in existing stores, rising vintage of stores and higher inventory as well as addition of new stores.
- **EBITDA and PAT Margins** – The company's EBITDA margin and PAT margins have low and negative, primarily due to high material COGS and other expenses especially advertisement & marketing costs and contract labour charges.
- **RoCE and RoE** – The company's RoCE and RoE have been negative over the years indicating inefficiency in capital utilisation.
- **Operating cashflow** – The company's operating cashflow has been negative in FY24 and FY25 primarily due to increase in losses and inventory.
- **D/E ratio** - The company's debt-to-equity ratio has been low in FY25 indicating low financial leverage.
- The company's current ratio and quick ratio have remained stable.
- The company has been continuously in losses over the years primarily on account of expansion of operations and subsequent investments made towards expanding retail network, growing distribution channels, advertising and marketing cost and working capital requirements.

Financial Outlook – The company's overall financial performance appears unstable and requires improvement across most key areas.

Lead Manager –

The IPO is handled by 3 lead managers. The lead managers have managed 86 IPOs in last 3 years, among them 20 issues have opened in discount to their issue price on their respective listing dates.

Risk Factors -

- The company has 6 tax proceedings, 5 statutory or regulatory proceedings and 7 material civil litigation, together amounting to Rs. 8.28 Cr.
- The company has high working capital requirement which are met by working capital loans accounting to 45.49%, 16.26% and 19.61% of total borrowings in FY23, FY24 and FY25 respectively.
- The company has not generated any profits since inception and operating cashflow has been negative.
- The company operates in highly competitive market and key factors of competition are pricing, product offerings, quality and marketing strategies.

Recommendation: **AVOID**

Key Management

- Gaurav Singh Kushwaha is the Chairman, Managing Director and Chief Executive Officer of the company. He has 22 years of experience. There is an evidence of dual chairmanship in the company.
- The Non-Executive Nominee Directors are qualified and have moderate experience in their respective fields.
- The company's Independent Directors are qualified.
- The company's Chief Financial Officer has over 16 years of experience in technology consulting, fintech and equities.
- The company's Company Secretary and Compliance Officer has limited experience.
- The company's other key personnel have considerable experience in their respective fields.

Outlook – The overall management of the company is considered **moderate** as there are observations regarding dual chairmanship, dependent on single promoter and limited experience of some of key personnel.

Peer Analysis

Particulars	BlueStone Jewellery and Lifestyle Limited			Titan Company Limited			Kalyan Jewellers India Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	-21.70%	-11.24%	-12.53%	7.95%	6.77%	5.48%	3.07%	3.21%	2.84%
EBITDA Margin	-7.27%	4.19%	4.13%	12.69%	11.29%	10.14%	8.29%	7.74%	6.60%
RoCE	-25.05%	-4.12%	-4.06%	34.51%	34.90%	36.95%	21.29%	22.30%	20.89%
ROE	232.85%	-38.01%	-24.46%	27.42%	37.22%	28.71%	11.92%	14.26%	14.88%
EPS (INR)	-92.14	-78.36	-79.74	36.56	39.28	37.49	4.20	5.80	6.93
P/E	-	-	-	68.79	96.79	82.05	25.08	73.76	70.30

Particulars	Senco Gold Limited			Thangamayil Jewellery Limited			PC Jeweller Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	3.86%	3.43%	2.50%	2.53%	3.22%	2.41%	-7.71%	-93.95%	24.36%
EBITDA Margin	8.76%	8.15%	6.61%	4.95%	5.68%	4.57%	15.88%	-15.88%	22.00%
RoCE	27.07%	23.01%	15.84%	26.36%	31.92%	16.60%	10.38%	-4.26%	8.05%
ROE	16.76%	13.26%	8.09%	20.51%	24.99%	10.77%	-5.51%	-21.47%	9.33%
EPS (INR)	14.53	13.55	10.09	28.16	43.51	39.97	-0.44	-1.35	1.13
P/E	-	28.47	29.67	17.29	28.68	49.93	-	-	11.91

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