Purple Style Labs Ltd.

AVOID

BP WEALTH

IPO Note **28th Aug 2026**

Company Overview

Purple Style Labs Limited (PSL) is a Mumbai-based multi-brand luxury fashion platform incorporated in August 2015 and operates primarily through Pernia's Pop-Up Shop (PPUS), which it acquired in February 2018. PPUS provides curated Indian luxury fashion across womenswear, menswear, jewellery, accessories and kidswear, with a particular focus on wedding and occasion wear. Womenswear is the company's flagship category led by high-value pieces priced above Rs. 1,00,000 and accounted for 78% of total PPUS Gross Merchandise Value (GMV) which is the total value of products sold through PPUS online platform and Experience Center channels before deducting returns, discounts, taxes, or fees in FY26. Menswear and other categories contributed 18% and 4%, respectively. The platform offers products from 1,109 Active Designer Brands as of March 31, 2026, including Seema Gujral, Anushree Reddy, Amit Aggarwal and Rohit Gandhi & Rahul Khanna. The company operates through an omni-channel model comprising its website, mobile application, telephonic and digital sales channels, events and exhibitions, and a network of 14 experience centers (offline stores). Of these, 12 are located in India, with one each in London and New York. The experience centers enable customers to physically view and try products, assess their quality and craftsmanship, and receive personalized assistance from in-store stylists. The online channels also serve as discovery and engagement platforms, helping customers identify products and designer brands while directing traffic to the physical stores. In FY26, PPUS recorded an Average Order Value (AOV) of Rs. 75,505, while Indian experience centers contributed 75% of Total PPUS GMV. PPUS operates as a curated marketplace and discovery platform connecting luxury designer brands with customers in India and overseas.

Objects of the issue

The offer comprises entirely a fresh issue of Rs. 680 crores. The company proposes to utilise the net proceeds from the fresh issue towards:

- ⇒ Investment in our wholly owned subsidiary, PSL retail for expenditure towards lease liabilities of experience centers, and back-end offices in India; and
- ⇒ Funding towards sales and marketing expenses to be incurred by our company; and
- ⇒ General corporate purposes.

Investment Rationale

Global expansion driving stronger network effects and customer engagement

Purple Style Labs (PSL) has established a differentiated position in Indian luxury fashion by combining a growing international presence with a broad network of designer brands and an increasingly engaged customer base. The company served customers across approximately 100 countries in FY26, with international markets contributing 20% of Total PPUS GMV. The United States (US) was the largest international market, contributing 11% of Total PPUS GMV, followed by the United Kingdom (UK) at 6%, while others contributed the balance. Its online platform attracted 19 million visitors in FY26, including 3 million from the US, 0.6 million from the UK, 0.3 million from Canada and 0.3 million from the Middle East, demonstrating meaningful international demand. This international opportunity is supported by a structural gap in the availability of curated Indian luxury and occasion wear outside India. The company addresses this gap through its online platform and experience centers in London and New York, providing international customers with access to a broad assortment of Indian designer brands. This enables designer brands to access global customers without having to independently establish international distribution networks. PSL's international reach reinforces the network effects, as its platform had over 1,109 active designer brands as of March 2026 across womenswear, menswear, jewellery, accessories and kidswear. Its association with well-known designer brands such as Seema Gujral, Anushree Reddy, Amit Aggarwal, and Rohit Gandhi & Rahul Khanna enhances its reputation and helps attract additional designers to the platform. The expanding brand ecosystem, broader assortment and global customer access have translated into stronger customer engagement and monetization. Repeat customers have increased their contribution to orders and GMV, while Average PPUS GMV per customer has risen consistently. The contribution of the top 10,000 customers has also strengthened over time, indicating deeper engagement among valuable customers

Omni-channel model combining digital reach with high-value, physical retail experiences

PSL has evolved Pernia's Pop-Up Shop from an online-led platform into an integrated omni-channel luxury fashion business, combining digital discovery with a network of physical experience centers.

Issue Details

Offer Period	30th Aug 2026 - 02nd Sept 2026
Price Band	Rs. 546 - Rs. 575
Bid Lot	26
Listing	BSE & NSE
Issue Size (no. of shares in crores)	1.2
Issue Size (Rs. in crores)	680
Face Value (Rs.)	10

Issue Structure

QIB	75%
NII	15%
Retail	10%
BRLM	Axis Capital Ltd., IIFL Capital Services Ltd.
Registrar	KFin Tech. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	26.34%	22.67%
Public	73.66%	77.33%
Total	**100.00%**	**100.00%**

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

PSL operates 14 offline stores, including 12 in India and one each in London and New York. These stores, span across 20,000-60,000 sq. ft., and intend to provide an immersive luxury retail environment and allow customers to experience a wider assortment under one roof. The physical network is an important monetization driver, with Experience Centers accounting for the majority of PPUS GMV in FY26, significantly exceeding the contribution from the online channel. The higher value of physical retail is also reflected in customer spending, PPUS experience centers generated materially higher-value transactions, with average order value approximately 134% higher than the online channel in India and 143% higher in the UK during FY26. This indicates that the physical format is not merely a customer acquisition or brand-building channel, but an important revenue-generating component of the business. The company's omni-channel proposition is differentiated by the curated experience offered in-store. Customers can physically interact with products, try on apparel, receive personalized styling advice and obtain minor alterations, while also benefiting from the convenience of browsing and purchasing online. This creates complementary digital and physical touchpoints, allowing customers to discover products online and subsequently engage with them in-store before making a purchase.

Valuation

Purple Style Labs Limited (PSL) operates Pernia's Pop-Up Shop, a multi-brand luxury fashion platform headquartered in Mumbai, with an omni-channel presence across India, the UK and the US. International markets contributed 20% of Total Pop-Up Shop (PPUS) Gross Merchandise Value (GMV) in FY26, comprising the US at 11%, the UK at 6% and the rest of the world at 4%. Its portfolio spans womenswear, menswear, jewellery, accessories and kidswear, with womenswear remaining the dominant category. The company's Total PPUS GMV increased 23% in FY26, indicating growth in merchandise output, however, this has not translated proportionately into revenue growth. Revenue from operations increased from Rs. 504 to Rs. 558 crores from FY24-FY26, implying a modest CAGR of ~5%. While operating expenses also increased from Rs. 478 to Rs. 537 crores from FY24 to FY26, representing an increase of 12% this was primarily driven by the expansion of Large Format Experience Centers, which increased depreciation, lease-related finance costs, store operating expenses and inventory requirements. Employee costs also rose as the company expanded its workforce to support the larger retail network. These higher costs were partly offset by lower sales, marketing and courier expenses. EBITDA decreased from Rs. 32 to Rs. 30 crores across FY24-26, implying a negative CAGR of approximately 2%, while EBITDA margin declined from 6% to 5% in FY26. PSL remains focused on expanding larger-format stores, increasing customer reach and strengthening the brand proposition. Going forward, the company could benefit from the expansion of India's luxury fashion market, increasing affluent consumption and growing acceptance of Indian designer wear internationally. However, translating GMV growth into sustainable revenue and profitability, while controlling the cost base and improving operating cash flows. The company reported negative operating cash flows in each of FY24-FY26. Purple Style Labs does not have a directly comparable listed peer in India, although within India's premium luxury fashion segment, established names such as Sabyasachi, Manish Malhotra, Anita Dongre and many more have stronger heritage positioning and global recognition. PPUS is moving towards a more premium assortment by reducing lower-priced products with lower margins, but it continues to operate in a competitive and fragmented market. At the upper price band of Rs. 575, the issue is valued at 8.3x FY26 revenue on a Price-to-Sales multiple. While the company operates in the premium luxury fashion segment, elevated operating costs, negative earnings and declining EBITDA margins limit near-term profitability and valuation visibility. **Given the demanding P/S multiple and competitive intensity in the premium luxury fashion market, we assign an "AVOID" rating to the issue.**

Key Risks

⇒ The company has a history of financial losses and negative operating cash flows, which could limit its financial flexibility and ability to fund future growth. Continued losses may increase reliance on external funding and affect the execution of its expansion plans.

⇒ The company remains heavily dependent on womenswear, particularly Indian wedding and occasion wear. Changes in consumer preferences, discretionary spending or demand for luxury ethnic fashion could materially affect sales and overall business performance.

⇒ The company's business is significantly reliant on its physical Experience Centers, particularly in key metropolitan markets. High operating costs, lease-related risks, operational disruptions or weaker than expected performance from new centers could adversely affect revenue, cash flows and profitability.

Income Statement (Rs. in crores)

Particular	FY24	FY25	FY26
REVENUE			
Revenue from operations	504	490	558
Total revenue	**504**	**490**	**558**
Expenses			
Cost of materials consumed	3	1	2
Purchases of stock-in-trade	347	303	350
Change in Inventory	(53)	(20)	(4)
Employee benefit expenses	59	66	82
Other expenses	122	102	106
Total operating expenses	**478**	**452**	**537**
EBITDA	**26**	**38**	**21**
Depreciation & amortization expenses	39	55	101
EBIT	**(13)**	**(17)**	**(80)**
Other Income	6	4	9
Finance costs	41	53	97
PBT (before exceptional item)	**(48)**	**(66)**	**(167)**
Exceptional item	-	123	118
PBT (after exceptional item)	**(48)**	**(188)**	**(285)**
Tax Expense	0	0	0
Total comprehensive income/loss	**(48)**	**(66)**	**(167)**
Diluted EPS	**-7.5**	**-29.0**	**-42.0**

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY24	FY25	FY26
Cash Flow from operating activities	-31	-45	-35
Cash flow from/(used in) investing activities	-17	-12	-52
Net cash flows (used in) / from financing activities	44	64	93
Net increase/(decrease) in cash and cash equivalents	**-4**	**7**	**5**
Cash and cash equivalents at the beginning of the period	**8**	**3**	**10**
Cash and cash equivalents at the end of the period	**3**	**10**	**16**

Source: RHP, BP Equities Research

Purple Style Labs Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY24	FY25	FY26
Non-current assets			
Property, plant and equipment	35	32	77
Capital work-in-progress	1	3	0
Right of use assets	184	153	417
Goodwill	7	6	6
Other intangible assets	2	2	1
Investments	3	0	0
Loans	0	0	1
Other financial assets	17	36	45
Deferred tax assets	0	0	0
Income-tax assets	1	1	1
Other non-current assets	3	7	7
Total non-current assets	**253**	**241**	**554**
Current assets			
Inventories	140	160	163
Trade receivables	1	1	3
Cash and cash equivalents	3	10	16
Bank balances other than cash and cash equivalents	0	0	0
Loans	0	1	1
Other financial assets	6	15	14
Other current assets	54	69	79
Total current assets	**205**	**256**	**275**
TOTAL ASSETS	**458**	**497**	**830**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	0	0	68
Other equity	39	117	-121
Total equity	**40**	**117**	**-52**
Liabilities			
Non-current liabilities			
Borrowings	1	0	0
Lease liabilities	167	146	347
Provisions	2	3	4
Total non current liabilities	**170**	**149**	**351**
Current liabilities			
Borrowings	115	113	371
Lease liabilities	26	28	65
Trade payables	65	42	40
Other financial liabilities	5	3	7
Other current liabilities	37	45	46
Provisions	0	1	1
Total current liabilities	**249**	**231**	**531**
TOTAL LIABILITIES	**419**	**380**	**882**
TOTAL EQUITY AND LIABILITIES	**458**	**497**	**830**

Source: RHP, BP Equities Research

Research Desk | Tel: +91 22 61596138

Institutional Sales Desk | Tel: +91 22 61596403/04

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:
4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:
24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392