

Kiaasa Retail IPO

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- The company is engaged in marketing ethnic brands and offering wide range of apparel, footwear and accessories exclusively designed for women.
- It operates in B2B and B2C segment with 124 outlets and e-commerce platform.
- The company posted growth in its top and bottom lines for reported periods.
- It has up the sleeve expansion of its outlets to become PAN India player.
- Based on its recent financial data, the issue appears aggressively priced.
- Well-informed/cash surplus investors may park moderate funds for long term.

About the Company

Kiaasa Retail Ltd. (KRL) is an ethnic wear brand that offers a wide range of apparel, footwear, and accessories designed exclusively for women. The product portfolio includes salwar kameez, lehengas, jewellery, bags, and scarves. The brand caters to the evolving fashion needs of Indian women by providing high-quality and affordable products that reflect their individuality. It operates through a network of exclusive brand outlets and online presence, ensuring accessibility across multiple platforms.

The company began its journey in April 2018, with a vision to establish a brand that offers stylish and comfortable ethnic wear for women. The first store was launched in Kamla Nagar, Delhi, in June 2018, marking the beginning of its retail presence. Over the next few years, it expanded footprint across India, focusing on building a strong customer base and enhancing its product offerings.

In March 2021, the current promoters took over the business from existing partners/ shareholders, contributing to rapid growth and operational improvements. By September 2021, Kiaasa achieved a significant milestone by opening its 50th store in Vadodara. To strengthen its presence in South India, it acquired 'U-Women' brand in December 2021. Further expansion followed with the acquisition of the brand 'LAABHA' in February 2022, enhancing the brand's presence within Delhi/NCR. By March 2022, it opened 100th store at Crown Interior, Faridabad, marking another phase of growth.

In October 2022, Kiaasa transitioned to an omni-channel model, integrating its physical stores with digital platforms to provide a seamless shopping experience. The company now operate 124 exclusive brand outlets across 70 cities, supported by an online presence. It operates EBOs through three models: FOFO (Franchise Owned Franchise Operated), COCO (Company Owned Company Operated), and FICO (Franchise Invested Company Operated), allowing it to manage its retail network efficiently. It uses a combination of marketing strategies, partnerships with influencers and location-

specific campaigns to increase market reach. The company gets revenue from its B2B and B2C segments. As of December 31, 2025, it had 378 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5490000 equity shares of Rs. 10 each to mobilize Rs. 69.72 cr. at the upper cap. It has announced a price band of Rs. 121 – Rs. 127 per share. The IPO opens for subscription on February 23, 2026, and will close on February 25, 2026. The minimum application to be made is for 2000 shares and in multiple of 1000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 30.12% of post-IPO paid-up equity capital of the company. From the net proceeds of the fresh issue, the company will utilize Rs. 46.45 for expenditure on opening new stores, and the rest for general corporate purpose.

The IPO is solely lead managed by Expert Global Consultants Pvt. Ltd., and Purva Shareregistry (India) Pvt. Ltd. is the registrar to the issue. Prabhat Financial Services Ltd., is the market maker as well as a syndicate member.

After issuing the initial equity shares at par value, the company issued further equity shares in the price range of Rs. 180 – Rs. 200 between August 2024, and February 2025. It has also issued bonus shares in the ratio of 5 for 4 in March 2025. The average cost of acquisition of shares by the promoters is Rs. 5.15, and Rs. 5.36 per share.

Post-IPO, company's current paid-up equity capital of Rs. 12.74 cr. will stand enhanced to Rs. 18.23 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 231.51 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total revenue/net profit, of Rs. 50.18 cr. / Rs. 2.46 cr. (FY23), Rs. 85.19 cr. / Rs. 5.74 cr. (FY24), Rs. 120.70 cr. / Rs. 8.38 cr. (FY25). For H1 - FY26 ended on September 30, 2025, it earned a net profit of Rs. 6.64 cr. on a total revenue of Rs. 58.01 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 5.11, and an average RoNW of 39.21%. The issue is priced at a P/BV of 3.42 based on its NAV of Rs. 37.14 as of September 30, 2025, but its post-IPO NAV data is missing from offer documents.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 17.44, and based on its FY25 earnings, the P/E stands at 27.61. Thus, the issue appears aggressively priced.

The company has posted PAT margins of 4.92 % (FY23), 6.75% (FY24), 6.94% (FY25), 11.46% (H1-FY26), and RoCE Margins of 17.94 %, 33.23%, 20.34%, 12.02%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Monte Carlo Fashion, Kewal Kiran, Purple United, as its listed peers. They are currently trading at a P/E of 12.6, 23.6, and 25.1 (as of February 18, 2026). However, they are not comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

MERCHANT BANKER'S TRACK RECORDS:

This is the 21st mandate from Expert Global in the last four fiscals. From the last 10 listings, 1 opened at discount and the rest with premium ranging from 6.31% to 90% on the date of listing.

Conclusion / Investment Strategy

KRL is engaged in marketing ethnic brands and offering wide range of apparel, footwear and accessories exclusively designed for women. It operates in B2B and B2C segment with 124 outlets and e-commerce platform. The company posted growth in its top and bottom lines for reported periods. It has up the sleeve expansion of its outlets to become PAN India player. Based on its recent financial data, the issue appears aggressively priced. Well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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