

Purple Style Labs IPO

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Reviewed on 29 August 2026

- The company is one of the largest and fastest growing multi-brand luxury omni channel fashion platform in India.
- The company is on an expansion spree, but has posted negative earnings for the reported periods.
- Based on its recent average financial data, the issue appears exorbitantly priced as it has incurred surging losses.
- Hefty premiums helped the company to post positive NAV on post-IPO basis.
- It's a pure long term story, well-informed/cash surplus/risk seekers may park moderate funds for long term, others can stay away.

About the Company

Purple Style Labs Ltd. (PSLL) is one of the largest and fastest growing multi-brand luxury omni-channel fashion platform in India in terms of revenue in FY 2025, serving customers in India and abroad. Its omni-channel platform includes Experience Centers, the online platforms of PPUS including website, mobile application, other telephonic and digital sales channels and events and exhibitions, among others.

In Fiscal 2026, the PPUS Average Order Value ("PPUS AOV") was Rs. 75504.88. The company provides carefully curated selections in luxury fashion, sourced from 1109 Active Designer Brands, as of March 31, 2026. The Designer Brands for which products are available on its platform, includes well-known Designer Brands such as Seema Gujral, Anushree Reddy, Amit Aggarwal, Rohit Gandhi & Rahul Khanna and product categories span across womenswear, menswear, and others including jewelry, accessories and kidswear, with a focus on wedding and occasion wear.

In February 2018, PSLL purchased the website, along with all related business intellectual property rights, goodwill, fixed and/or moveable assets of Pernia's Pop-Up Shop through an asset purchase agreement. At the time of the acquisition, Pernia's Pop-Up Shop was primarily an online-only platform and has since transformed into an omni-channel platform, with Experience Centers and a robust online presence. It opened its first flagship Experience Center in Juhu, Mumbai in 2018 and as of the date of this Red Herring Prospectus, has expanded its physical store presence to 14 Experience Centers globally, 12 of which are in India, one Experience Center is in London, UK and one Experience Center is in New York, USA.

The company has also opened Experience Centers ranging in size from 20,000 to 60,000 square feet in built-up area ("Large Format Experience Centers"), allowing it to offer an immersive shopping environment for customers in key luxury markets. Its Large Format Experience Centers have been opened in Fort and Linking Road in Mumbai in July, 2025 and March, 2026, respectively, one in South Extension in Delhi in June, 2025 and one in Madison Avenue, New York City in February, 2026.

PSLL's customers can shop through its website, www.perniaspopupshop.com, through mobile application, available on both Android and iOS, or through its Experience Centers. Through its omni-channel presence, it has served a global base of more than 200,000 Unique Customers from Fiscal 2024 to Fiscal 2026 and have had 19.14 million Unique Visitors on its online platform (i.e., its website and mobile application) in Fiscal 2026 alone. In Fiscal 2026, it served 66713 customers with a total of 95565 PPUS No. of Orders. The Total PPUS GMV stood at Rs. 721.56 cr. in Fiscal 2026, compared with Rs. 588.31 cr. in Fiscal 2025, reflecting a growth of 22.65% and the PPUS AOV was Rs. 75504.88 in Fiscal 2026 compared with Rs 56106.44 in Fiscal 2025, reflecting a growth of 34.57%. While India remains its largest sales geography, it has established a robust international presence, serving a diverse global customer base across multiple continents.

While its PPUS no. of orders as of March 31, 2026, declined to 95565 from 136622 as of March 31, 2024. But, its PPUS average order value improved to Rs. 75504.88 as of March 31, 2026, against Rs. 45512.52 as of March 31, 2024. As of March 31, 2026, it had 1266 employees on its payroll and additional 312 contractual workers in various departments.

According to the management, their transition from a small format outlet to large format outlets yielded positive trends, and with its expansion plans afoot, it hopes to perform much better in coming years.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of worth Rs. 680 cr. (approx. 11826087 equity shares, at the upper cap). The company has announced a price band of Rs. 546 – Rs. 575 per equity shares of Rs. 10 each. The issue opens for subscription on August 31, 2026, and will close on September 02, 2026. The minimum application to be made is for 26 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 14.77% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 371.13 cr. for investment in its wholly owned subsidiary PSL Retail for expenditure towards lease liabilities of experience centers and back0en offices in India, Rs. 138.90 cr. for funding towards sales ana marketing expenses, and the rest for general corporate purposes.

The two joint Book Running Lead Managers (BRLMs) to this issue are Axis Capital Ltd., IIFL Capital Services Ltd., while KFin Technologies Ltd., is the registrar to the issue. Emkay Global Financial Services Ltd. is a syndicate member. Care Ratings Ltd. is the monitoring agency.

After issuing initial equity shares at par value, the company has issued/converted further equity shares in the price range of Rs. 5000 – Rs. 500000 per share between October 2015, and September 2025. It has also issued bonus shares in the ratio of 999 for 1 in August 2025. The average cost of acquisition of shares by the promoters is Rs. 498.40, and Rs. 500.00 per share.

Post-IPO, its current paid-up equity capital of Rs. 68.24 cr. (68235000 equity shares) will stand enhanced to Rs. 80.06 cr. (80061087 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 4603.51 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit/ - (loss), of Rs. 510.03 cr. / Rs. - (47.71) cr. (FY24), Rs. 494.00 cr. / Rs. - (188.38) cr. (FY25), and Rs. 567.07 cr. / Rs. - (285.40) cr. (FY26). The company marked inconsistency in its top line with rising losses for the reported periods. The company has not made any provisions for contingent liabilities as of March 31, 2026.

For the last three fiscals, the company has posted an average EPS of Rs. - (31.90) and an average RoNW of - (147.14) %. The issue is priced at a negative P/BV based on its NAV of Rs. - (7.69) as of March 31, 2026, and at a P/BV of 7.33 based on its post-IPO NAV of Rs. 78.41 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at negative P/E. Based on FY25 earnings too, its P/E stands negative. The issue appears exorbitantly priced based on its recent average performance.

For the reported periods, the company has reported negative PAT Margins of - (9.46) % (FY24), - (38.45) % (FY25), - (51.16) % (FY26), and negative RoCE margins of - (3.32) %, - (4.75) %, - (23.56) %, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in September 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

The two BRLMs associated with this offer have handled 85 issues in the last three years, out of which 19 issues closed below the issue price on listing date.

Conclusion / Investment Strategy

PSLL is one of the largest and fastest growing multi-brand luxury omni channel fashion platform in India. The company is on an expansion spree, but has posted negative earnings for the reported periods. Based on its recent average financial data, the issue appears exorbitantly priced as it has incurred surging losses. Hefty premiums helped the company to post positive NAV on post-IPO basis. Considering its expansion plans, it's a pure long term story, well-informed/cash surplus/risk seekers may park moderate funds for long term, others can stay away.

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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