

April 17, 2026

Goodview Fashion Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Overdraft	15.00	15.00	[ICRA]A+ (Stable); reaffirmed
Long-term – Unallocated	10.00	10.00	[ICRA]A+ (Stable); reaffirmed
Total	25.00	25.00	

*Instrument details are provided in Annexure-II

Rationale

The reaffirmation of the rating assigned to the bank facilities of Goodview Fashion Private Limited (GFPL) factors in its strong operational and financial linkages with its parent company, Aditya Birla Fashion and Retail Ltd (ABFRL). ICRA expects ABFRL to provide need-based funding to the company. The rating further draws strength from the well-established brand name of 'Tarun Tahiliani' (TT) and healthy growth potential of the branded ethnic wear segment in India, which augurs well for GFPL. The credit profile of the company remained satisfactory, underpinned by healthy profit margins and no reliance on external borrowings, keeping the credit metrics healthy. It clocked a healthy revenue growth of 39.0% in FY2025 and 22.5% in 9M FY2026 year over year, aided by strong demand. While the demand drivers remain strong structurally, the lower number of wedding dates in Q4 FY2026 and postponements of weddings and events due to the conflicts in West Asia have temporarily disrupted the demand scenario in Q4 FY2026, particularly from non-resident Indians. This is likely to keep the revenue growth in the full-year FY2026 relatively low. ICRA also notes a moderation in GFPL's operating margin to 27.4% in 9M FY2026 from 34.6% in FY2025 due to front-loaded operating expenses for the new Pret product line (relatively less premium than the existing products), under the brand 'Oh Tarun Tahiliani' (OTT), and higher advertisement spends. However, the margins remain healthy, and the new product line is expected to augment the company's revenues and earnings, going forward. GFPL has launched the OTT segment, new Pret product line, to scale up production and bring down the price points. This will cater to the upper middle-class category. The company opened three new stores of OTT in FY2026 and plans to open four new OTT stores in FY2027.

GFPL's scale of operations remains moderate, despite robust growth in recent years. Further, it carries high inventory on the books, as inherent in the retail business, which exposes it to risks of inventory write-off. However, this risk is partially mitigated as GFPL also caters to the couture category, which also includes made-to-order products, and the product obsolescence risk for premium ethnic wear is less relative to trend-driven products. The rating also factors in the competition posed by other established ethnic wear brands and vulnerability of the business to any economic slowdown and exogenous shocks, given the discretionary nature of the demand for premium wear.

The Stable outlook reflects ICRA's expectations that GFPL will continue to generate healthy margins benefitting from strong brand position of Tarun Tahiliani, notwithstanding a margin moderation in the recent past due to the launch of the Pret product line. This, coupled with steady revenue growth and limited capex outgo, will keep its reliance on external debt limited, yielding comfortable leverage and coverage indicators. Moreover, the company's strong operational and financial linkages with the parent ABFRL is expected to continue, supporting the credit profile. However, timely ramp-up of sales from the new stores will remain a key monitorable.

Key rating drivers and their description

Credit strengths

Strong and established parentage of ABFRL Group with expectations of need-based funding support – At present, ABFRL has a 51% shareholding in the company, with 49% held by Mr. Tarun Tahiliani, a leading fashion designer in the premium ethnic wear segment. Mr. Ashish Dikshit, the Managing Director of ABFRL is also on the board of the company. As a part of the Aditya Birla Group, GFPL enjoys healthy financial flexibility and is likely to receive need-based funding and operational support from the parent entity.

Healthy growth potential of the ethnic wear segment in India; established brand name of Tarun Tahiliani augurs well for the growing demand – The growth prospects of the Indian ethnic wear segment remain healthy, given the low penetration of the organised segment. Within this, growth prospects of branded ethnic wear continue to be particularly strong on the back of favourable demographics and the inelastic nature of demand, along with a higher number of destination weddings in India. GFPL also benefits from the strong brand recognition enjoyed by its brand ‘Tarun Tahiliani’. Mr. Tahiliani is a renowned Indian fashion designer in the luxury and premium ethnic women’s wear segments, with a special focus on premium bridal wear range of couture.

Healthy credit profile with limited reliance on external borrowings – The company’s brand is known for wedding and heritage-based attire, characterised by a higher extent of handcrafted work, which supports healthy margins. Its profit margins remained healthy, with an operating margin of 34.6% and a net margin of 19.0% in FY2025. However, the margins moderated in 9M FY2026 to 27.4% and 11.9%, respectively, primarily due to the company’s expansion into the OTT (Pret line) segment and higher advertisement/promotional expenses, including a one-time expenditure of around Rs. 5.5 crore incurred for celebrations of the 30th anniversary of the flagship brand ‘Tarun Tahiliani’. The new OTT stores would incur losses in the initial phase, as such stores typically take 6-8 months to break even and achieve the optimal revenues and earnings potential after around 18 months. Given that around 50% of the OTT stores were opened recently, a significant proportion of the network remained in the early stages of operations, resulting in reduction in the overall profitability in 9M FY2026. The profit margins are likely to improve and continue to be healthy in the medium term, despite further moderation expected in the near term because of the OTT segment expansion.

As on December 31, 2025, the company’s gearing remained conservative at 1.0 times with a total debt of Rs. 115.6 crore, which comprised only lease liabilities, against the net worth of Rs. 115.8 crore. The debt coverage indicators also continued to be comfortable, with the total debt vis-a-vis operating profit and interest coverage of 2.0 times and 9.1 times, respectively, in 9M FY2026. With limited reliance on external debt and healthy profits, ICRA expects GFPL’s overall credit profile to remain comfortable.

Credit challenges

Modest scale of operations, albeit healthy growth in recent years – The company’s operating income recorded a healthy compounded annual growth rate (CAGR) of 48% during the FY2022-FY2025 period and a 29% growth in FY2025, driven by continuous growing demand for designer and premium ethnic wear. However, its scale of operation remains modest, as reflected by revenues of Rs. 205.8 crore in FY2025, as its focus is on the premium bridal wear range of couture which is a niche segment within apparel. However, launch of the OTT (Pret line) segment, which caters to the upper middle-class category, is likely to augment the revenue stream.

Inherent inventory risk in fashion retail industry – The company, as inherent in the retail business, remains exposed to various risks associated with carrying high inventory on the books, including weakening of returns on capital employed due to demand slowdown and the risks of the inventory becoming obsolete, damaged or out of fashion. However, this inventory obsolescence risk is mitigated as GFPL also caters to the couture category, which includes made-to-order products and designer-made garments generally appreciate in value over time as designs become more traditional and exclusive. Thus, older inventory does

not become obsolete generally, rather premium and traditional designs often retain or increase value over time. There has been no inventory written off in the past, and the company has not undertaken any discount-led liquidation recently.

Revenues and profitability remain vulnerable to economic cycles and competitive nature of fashion business with associated risks of plagiarism – The business continues to be vulnerable to economic cycles on account of the discretionary nature of consumer spending on these products. Hence, any prolonged economic slowdown may disrupt consumer demand, adversely impacting the revenues and earnings of the players in the sector. While the luxury/premium products in the TT segment should be relatively insulated from economic cycles, given the inelastic nature of the demand for such products, the vulnerability of the OTT segment (Pret product line) to demand slowdowns remains higher. Besides, the fashion segment continues to be competitive, marked by the presence of several brands and risks of plagiarism.

Liquidity position: Adequate

The liquidity profile of the company remains Adequate, with available free cash and liquid investments of around Rs. 36.0 crore as on December 31, 2025. GFPL does not have any long-term debt obligations and has no plans for long-term debt in the near term. It opened four new stores in FY2026 with total cost of Rs. 6.0 crore, funded through internal accruals. GFPL plans to add four more OTT stores in FY2027 with an estimated capex of Rs. 5.6 crore, which will also be funded through internal accruals. Going forward, it is expected to generate sufficient cash flows to meet its annual capex requirements for store addition, renovation and normal capex, which are estimated by ICRA to be within Rs. 20 crore (excluding leases) till FY2028. The company's working capital requirement has increased due to incremental inventory for new stores. However, its fund flow from operations is expected to remain healthy above Rs. 30 crore in FY2026, notwithstanding a moderation from the FY2025 level (around Rs. 51 crore), which will suffice to take care of the incremental stocking requirements. The company's working capital limit of Rs. 15 crore continued to be unutilised in the recent months, providing additional liquidity back-up. Besides, the parent company ABFRL is expected to provide need-based funding support to GFPL.

Rating sensitivities

Positive factors – The rating may be upgraded if the company demonstrates a substantial increase in revenues and earnings, supported by a continuing traction in the existing premium (TT) segment and ramp-up of sales from the new product line at relatively lower price points (OTT), rendering the benefits of diversification. In addition, an improvement in liquidity position, while maintaining healthy debt coverage indicators on a sustained basis, would be a positive rating factor.

Negative factors – ICRA could downgrade GFPL's rating if there is any weakening of linkages with ABFRL, or a deterioration in the parent's credit profile. Any significant decline in its revenues and profits, because of lacklustre demand and rise in competition and/or pressure on margins due to launch of the new product line, adversely impacting its debt coverage indicators and/or the liquidity position on a sustained basis could also exert pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Retail
Parent/Group support	Parent - Aditya Birla Fashion and Retail Limited (ABFRL); rated at [ICRA]AA+ (Stable) ICRA expects ABFRL to provide need-based funding support to GFPL.
Consolidation/Standalone	Standalone

About the company

GFPL is engaged in the manufacturing and sale of high-end fashion garments (couture) and accessories within the ethnic segment under the brand 'Tarun Tahiliani' (TT). It also launched the brand 'Oh Tarun Tahiliani' (OTT) in FY2026 to offer products

at relatively lower price points. The company has in-house manufacturing facilities at Gurgaon (Haryana). However, it outsources manufacturing to third parties as well. It has more than 400 workers and 150 employees across India.

Presently, GFPL has ten exclusive brand outlets (EBOs) as on December 31, 2025 in India through which it directly sells to end users. The company also sells garments through multi-brand outlets (MBOs) and takes customised orders (made to measure). Besides, it participates in domestic exhibitions organised by recognised partners and has its own e-commerce platform for selling and promotion.

Key financial indicators (audited)

GFPL (standalone)	FY2024	FY2025	9M FY2026*
Operating income (OI)	148.0	205.8	159.3
PAT	28.4	39.0	18.9
OPBDIT/OI	36.2%	34.6%	27.4%
PAT/OI	19.2%	19.0%	11.9%
Total outside liabilities/Tangible net worth (times)	1.3	1.0	1.4
Total debt/OPBDIT (times)	1.0	0.8	2.0
Interest coverage (times)	9.5	11.2	9.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		
			Date	Rating	Date	Rating	Date	Rating	
Fund based – Working capital limits – Overdraft	Long-term	15.00	Apr 17, 2026	[ICRA]A+ (Stable)	-	Mar 19, 2025	[ICRA]A+ (Stable)	-	-
Fund based – Unallocated	Long-term	10.00	Apr 17, 2026	[ICRA]A+ (Stable)	-	Mar 19, 2025	[ICRA]A+ (Stable)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility and second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)

8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI’s investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Long-term fund based – Overdraft	Simple
Long term- Unallocated	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA’s website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term fund based – Overdraft	NA	NA	NA	15.00	[ICRA]A+ (Stable)
NA	Long term – Unallocated	NA	NA	NA	10.00	[ICRA]A+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis: Not applicable

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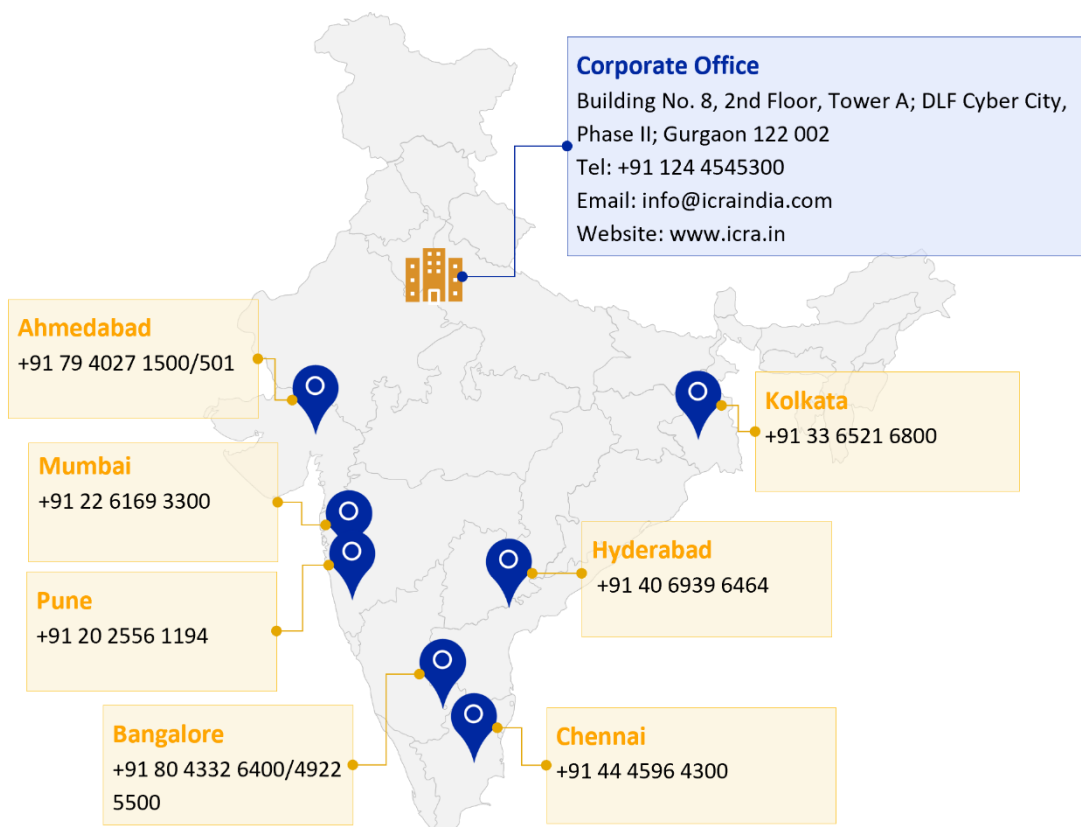


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