

November 21, 2025 ^(Revised)

Go Fashion (India) Limited: Ratings reaffirmed and outlook revised to Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term - Fund based Facility -Cash Credit	69.00	59.00	[ICRA]A+ (Positive); reaffirmed; outlook revised to Positive from Stable
Short term –Non-fund based –Letter of Credit	156.00	146.00	[ICRA]A1+; reaffirmed
Short-Term - Unallocated Limits	-	20.0	[ICRA]A1+; reaffirmed
Total	225.00	225.00	

*Instrument details are provided in Annexure I

Rationale

The revision in the outlook on the long-term rating of Go Fashion (India) Limited (GFIL) considers a healthy revenue increase at a CAGR of 28% in the last three years ending FY2025, and an expected healthy growth over the medium term, supported by its strong brand recall and favourable demand outlook. Additionally, GFIL's recent foray into women's top wear and menswear segments is likely to support its revenue growth over the medium term. The ratings continue to remain supported by its strong business profile, marked by the established market position of its brand, Go Colors, enjoying a pan-India multi-channel distribution network and a diversified product portfolio within the women's bottom wear segment.

The company's financial profile remains comfortable, driven by its steady earnings and cash flows from its operations, which are utilised for meeting working capital requirements with low dependence on external debt. ICRA expects GFIL's revenues to witness a steady growth of 10-12% over the medium term, driven by large untapped and unorganised market, and continued diversification measures with proposed addition of exclusive brand outlets (EBOs) every year in the coming fiscals. Further, GFIL's operating margins are likely to remain healthy over the near-to-medium term, backed by its operating efficiency, better economies of scale and increasing revenue contribution from the margin-accretive EBO channel. Additionally, given the healthy cash accruals envisaged, GFIL's credit metrics and liquidity position are expected to remain strong, despite the planned capital expenditure and incremental working capital requirements (on the back of proposed store additions).

The ratings, however, remain constrained by GFIL's presence in an intensely competitive segment, which limits the pricing flexibility and exposes its earnings to fluctuations in raw material prices. The ratings also consider the vulnerability of its revenue and earnings to the evolving consumer fashion and spending trends. Besides, the working capital intensity of operations for an entity operating in a retail segment remains elevated primarily due to high inventory holding requirements inherent to the nature of the business.

ICRA has noted the development relating to search operations carried out by the Income tax department on its premises between October 7, 2025 and October 11, 2025. ICRA understands that this development has not affected the operations of the entity but will continue to monitor any further development relating to the event and take appropriate rating action, if necessary.

Key rating drivers and their description

Credit strengths

Established market position – Incorporated in 2010, GFIL designs and retails women’s bottom-wear products under its brand, Go Colors, which has an established presence and strong recall value in the domestic branded apparel market. Its pan-India multi-channel distribution network comprised 812 exclusive brand outlets (EBOs), as well as 2,683 large format store (LFS) outlets as on September 30, 2025. GFIL derives the major portion of its revenue (71% in FY2025 and 70% in H1 FY2026) from its EBOs, which supports its profitability. Further, its revenues and earnings over the years have been supported by its wide product portfolio across ethnic and western product categories within the bottom wear segment and strong operating efficiency (store economics), supporting its healthy margins.

Strong financial profile and healthy coverage metrics – GFIL has witnessed a healthy revenue growth (3-year CAGR of 28% ending FY2025), supported by its established market position. The company’s operating income grew by 11% and 4% on a YoY basis to Rs. 762 crore and Rs. 477 crore in FY2025 and H1 FY2026, respectively, while maintaining steady operating profitability, despite a tepid demand environment for the fiscal. The company’s capital structure and debt protection metrics continue to be strong, supported by healthy profitability and lower dependence on external debt. GFIL had no fund-based bank borrowings, and including lease liabilities, the overall TOL/TNW stood comfortable at 0.8 times as on March 31, 2025. Further, its interest cover stood at 5.7 times and total debt/ OPBDITA stood healthy at 1.8 times as on March 31, 2025. The company is expected to report a revenue growth of 10-12% in the coming fiscals owing to steady demand conditions and continuous store additions, maintaining its healthy operating margins.

Credit challenges

High working capital intensity – GFIL operates in a working capital-intensive retail segment, characterised by high stock levels, given its wide product portfolio. GFIL’s receivables have been in the range of 40-50 days and inventory days have remained high in the range of 170-220 days over the last three years. While the inventory holding decreased to 173 days as on March 31, 2025 compared to 177 days as on March 31, 2024, it still remains high. Despite the high working capital intensity, GFIL’s credit profile derives comfort from its strong coverage metrics and liquidity position, with minimal dependence on external borrowings. Its working capital requirements are funded through internal accruals.

Exposure to consumer spending trends and intense competition – GFIL’s sales, profitability and cash accruals, like any other apparel retailers, are closely linked to macroeconomic conditions, consumer confidence and spending patterns. Further, the segment is very competitive with the presence of various branded as well as unbranded players in the women's bottom wear market. This exposes GFIL’s profitability to limited pricing flexibility and fluctuations in raw material prices.

Environmental and social risks

Environmental considerations: GFIL, an own-brand retailer, remains exposed to the risks of elevated input costs owing to increased compliance expenses faced by suppliers amid tightening environmental regulations. Increase in raw material costs (mainly cotton, which is a water-intensive crop and production of the same is dependent on rainfall) could impact the margins of GFIL. While these risks have not resulted in any material implication, policy actions towards waste management, like textile recycling, could have cost implications.

Social considerations: Increasing access to customer data, following growing penetration of e-commerce, poses data privacy and legal risks for retail entities. Operating in a manpower-intensive segment, entities like GFIL are exposed to the risks of business disruption due to inefficient management of human capital in terms of their safety and overall well-being. Measures taken by the company towards employee welfare have resulted in no material impact on the performance from the above-mentioned risks till date. The company is also subject to other social factors such as responsible sourcing, product, and supply chain sustainability, given the high reliance on external suppliers. Entities also remain exposed to major shifts in consumer preferences or developments, affecting discretionary consumer spending.

Liquidity position: Strong

GFIL's liquidity position is expected to remain strong, supported by steady earnings from operations, healthy cash and liquid investments and unutilised lines of credit. GFIL had free cash reserves, including liquid investments of Rs. 259 crore at the end of September 2025, apart from its unutilised working capital limits (utilisation of fund-based limits remained nil against the sanctioned limits of Rs. 59 crore). GFIL's cash accruals are expected to meet any funding requirements for expansion and the resultant incremental working capital requirements, with the surplus cash reserves lending comfort.

Rating sensitivities

Positive factors – The long-term rating may be upgraded if GFIL continues to grow its scale while maintaining its strong profitability and a healthy liquidity position.

Negative factors – ICRA may downgrade the ratings if there is any sustained pressure on revenues or profitability, or a sharp deterioration in the working capital cycle, which could adversely impact the company's coverage metrics and liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Textiles - Apparels
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Incorporated in 2010 by Mr. Vinod Kumar Saraogi and Mr. Prakash Kumar Saraogi, GFIL is involved in retailing of women's bottom-wear products under its brand, Go Colors. The products are sold in the domestic market through its extensive pan-India retail channel comprising 812 EBOs and 2,683 large format stores as on September 30, 2025. The company was listed on the Bombay Stock Exchange and the National Stock Exchange in November 2021, with the promoter and the promoter group holding 52.8% stake in the company as on September 30, 2025.

Key financial indicators (audited)

Go Fashion (Standalone)	FY2024	FY2025	H1 FY2026*
Operating income	762.8	848.2	447.0
PAT	82.8	93.5	44.1
OPBDIT/OI	32.7%	32.8%	30.3%
PAT/OI	10.9%	11.0%	9.9%
Total outside liabilities/Tangible net worth (times)	0.8	0.8	0.8
Total debt/OPBDIT (times)	1.9	1.8	2.0
Interest coverage (times)	5.9	5.7	5.6

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2026)					Chronology of rating history for the past 3 years					
FY2026					FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long Term - Fund based Facility - Cash Credit	Long-Term	59.00	Nov 21, 2025	[ICRA]A+ (Positive)	Oct 24, 2024	[ICRA]A+ (Stable)	July 27, 2023	[ICRA]A+ (Stable)	Apr 07, 2022	[ICRA]A (Stable)
Non-fund based -Letter of Credit	Short-Term	146.00	Nov 21, 2025	[ICRA]A1+	Oct 24, 2024	[ICRA]A1+	July 27, 2023	[ICRA]A1+	-	-
Unallocated Limits	Short-Term	20.0	Nov 21, 2025	[ICRA]A1+	-	-	-	-	-	-
Interchangeable Limits	Short-Term	-	-	-	-	-	-	-	Apr 07, 2022	[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term - Fund based Facility -Cash Credit	Simple
Short term -Non-fund based -Letter of Credit	Very Simple
Short-Term - Unallocated Limits	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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long Term - Fund based Facility -Cash Credit	NA	NA	NA	59.00	[ICRA]A+ (Positive)
NA	Short term –Non-fund based –Letter of Credit	NA	NA	NA	146.00	[ICRA]A1+
NA	Short-Term - Unallocated Limits	NA	NA	NA	20.0	[ICRA]A1+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not Applicable
Corrigendum:

Rationale dated November 21, 2025, has been corrected with revisions as detailed below: In Key financial indicators disclosed on Page 3, the headline has been changed in line with the Analytical Approach section as the ratings are based on the standalone financial profile of the company. The same has been corrected on page 3 of the document.

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