

Retail Equity Research

Go Fashion (India) Ltd

CMP Rs. ₹ 855
Rating: Overweight

Textiles

NSE CODE: GOCOLORS BSE CODE: 543401

Go Fashion (India) delivered a resilient performance in Q3FY25, with revenue growing 9% QoQ to ₹227.84 crore and operating profit up 11% to ₹50.33 crore, reflecting strong cost control and healthy product mix. While operating margin remained steady at ~22%, a sharp rise in depreciation (₹8.49 crore) weighed on net profit, which grew just 5% QoQ to ₹41.90 crore. The 17% revenue surge in Q2FY25 appears to have set a high base, moderating sequential growth. Other income declined sharply from ₹22.59 crore to ₹14.69 crore, impacting PBT, which fell 4% QoQ. Despite muted festive sentiment and inflationary headwinds, the company's ability to maintain full-price sales (95.1%) and expand operating leverage through new store additions (61 YTD) underscores strong brand positioning. With disciplined inventory and a push toward Gen Z offerings and international expansion (Dubai store launch by April 2025), Go Fashion is well-positioned for sustainable mid-teens revenue growth and improving profitability in FY26.

Company Data

Market Cap (cr)		Rs.	4,617.76
Enterprise Value (cr)		Rs.	3,902.32
Outstanding Shares (cr)			5.40
52 week high		Rs.	1,408.00
52 week low		Rs.	660.00
1m average volume (lacs)			1.89
Face value		Rs.	10.00
	FY22	FY23	FY24
Sales	665.28	762.83	848.17
Growth(%)	66%	15%	11%
EBITDA	226.96	262.99	293.35
EBITDA Margin(%)	34.1%	34.5%	34.6%
PAT	82.80	82.78	93.50
Growth(%)	133%	0%	13%
EPS	15.3	15.3	17.3
P/E	65.5	78.6	38.9
P/B	10.4	10.8	5.2
EV/EBITDA	25.0	25.8	13.3
ROE(%)	16%	13.7%	13%
ROCE(%)	16%	14.2%	14.1%
ROIC(%)	13%	10.7%	10.8%
D/E	0.65	0.78	0.73

1. Steady Financial Growth Amid Challenging Environment Go Fashion reported an 11% revenue growth to ₹643 crores in 9MFY25, with EBITDA rising 9% to ₹206 crores. Despite a muted festive season and flat same-store sales due to inflationary pressures, Q3FY25 saw 6% revenue growth and 3% EBITDA growth year-on-year. Gross margins remained robust at 64.1%, and PAT stood at ₹24 crores with an 11.3% margin.

2. Strategic Expansion and Cost Efficiency The company opened 61 new stores in the first nine months and plans 80–90 net additions by year-end. It continues to rationalize underperforming small-format stores and focus on enhancing store sizes to 400–500 sq. ft. Disciplined cost management led to stable advertising spend (1.9% of revenue) and high full-price sales (95.1%), indicating strong brand loyalty.

3. Focused Outlook with Growth Initiatives Go Fashion is targeting double-digit revenue growth in FY26, backed by new product development (e.g., Gen Z-focused lines, denims, loungewear) and its first international store in Dubai. While challenges persist in large-format retail and specific regions, the company remains confident in sustaining 18–20% pre-IndAS EBITDA margins through strategic inventory and margin control.

Key Highlights

1. Market Leadership in Women's Bottom-Wear Segment

Go Fashion (India) Limited (GFIL) stands out as the first and largest company in India exclusively dedicated to women's bottom-wear. Operating under the brand name 'Go Colors', GFIL commands an 8% share in the branded women's bottom-wear segment as of 9MFY25. Incorporated in 2010, the company has since grown into a household name, offering products that cater to every category of women's bottom-wear—ethnic, western, fusion, denim, and more. Its focused approach and first-mover advantage have helped establish a strong brand recall among consumers across the country.

2. Extensive Product Portfolio with Affordable Pricing

GFIL boasts one of the widest assortments in the women's apparel segment, with over 50 styles and 120+ colors. Its product range includes churidars, leggings, jeggings, palazzos, trousers, track pants, denim joggers, lounge wear, and more—catering to varied fashion preferences and age groups. The company also offers specialized categories like 'Go Plus' for plus-size women and dedicated collections for girls. Importantly, it maintains a value-for-money pricing strategy, with over 81.6% of products priced below ₹1,049, making quality fashion accessible to a broader customer base.

3. Pan-India Presence with a Cluster-Based Expansion Model

As of 9MFY25, GFIL has established a robust retail presence with 775 Exclusive Brand Outlets (EBOs) across 23 states and union territories, and over 2,299 Large Format Stores (LFSs) across 31 states and UTs. The company adopts a cluster-based expansion strategy, focusing on setting up stores in proximity to existing locations for stronger brand visibility and customer penetration. Notably, 53.8% of their EBOs are concentrated in the top 8 cities, with a stronghold in Southern and Western India—regions that account for approximately 75% of their revenue.

4. Omni-Channel Distribution with Offline Dominance

GFIL operates through a well-integrated omni-channel network that includes EBOs (both company-owned and franchise), LFSs, multi-brand outlets (MBOs), and online platforms. The majority of its sales—71.9%—come from EBOs, followed by 23.5% from LFSs, while online and MBO channels contribute 2.9% and 1.7% respectively. This multi-channel presence ensures that customers can access GFIL's offerings through both offline retail and digital touchpoints, providing flexibility and convenience while maintaining strong control over customer experience.

5. Efficient Supply Chain and Operational Metrics

GFIL operates a highly efficient supply chain with 135 suppliers and 65 job-workers spread across 12 states and UTs. It runs two major warehouses in Tirupur (99,000 sq. ft.) and Bhiwandi (12,000 sq. ft.), both equipped with automated inventory management systems to ensure timely replenishment and distribution. The average store size ranges between 400–600 sq. ft., and the average investment for an EBO is ₹37–38 lakhs, with a payback period of just 15–18 months—highlighting the company's operational efficiency and strong unit economics.

6. Strategic Store Expansion and Customer-Centric Focus

In 9MFY25, GFIL added 61 new stores and aims to open 120–150 net stores in FY26. As part of its growth strategy, the company is shifting away from smaller 200 sq. ft. outlets to larger 400–500 sq. ft. stores. This transition allows for a better in-store experience and a more comprehensive display of its expansive product range. With an average selling price of ₹769 and presence across 177 cities, GFIL is well-positioned to deepen its market penetration while staying aligned with evolving consumer preferences and retail trends.

Quarterly Financial Consolidated

Profit and loss account

(Rs Cr)

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	181.74	220.09	208.53	214.73	204.81
Growth(%)	-10%	21%	-5%	3%	-5%
Expenses	127.84	147.95	144.93	144.94	142.39
Operating Profit	53.90	72.14	63.60	69.79	62.42
Growth(%)	-20%	34%	-12%	10%	-11%
Other Income	5.55	5.80	7.11	5.84	6.64
Depreciation	30.73	29.47	31.06	31.74	31.42
Interest	11.50	11.04	11.46	11.63	12.22
Profit before tax	17.22	37.43	28.19	32.26	25.42
Tax	4.17	8.78	7.56	7.94	5.53
Net profit	13.05	28.65	20.63	24.32	19.89
Growth(%)	-79%	54%	-39%	15%	-22%

Financial Consolidated

Profit & Loss

(Rs Cr)

	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	250.66	401.31	665.28	762.83	848.17
Growth(%)	-36%	60%	66%	15%	11%
Expenses	203.18	277.34	450.23	517.11	580.21
Operating Profit	47.48	123.97	215.05	245.72	267.96
Growth(%)	-63%	161%	73%	14%	9%
Other Income	31.58	20.79	11.91	17.27	25.39
Depreciation	60.50	71.84	87.05	110.38	123.69
Interest	21.70	25.05	31.22	42.39	46.35
Profit before tax	-3.14	47.87	108.69	110.22	123.31
Tax	0.40	12.27	25.89	27.44	29.80
Net profit	-3.54	35.60	82.80	82.78	93.50
Growth(%)	-107%	1106%	133%	0%	13%

Balance Sheet

(Rs Cr)

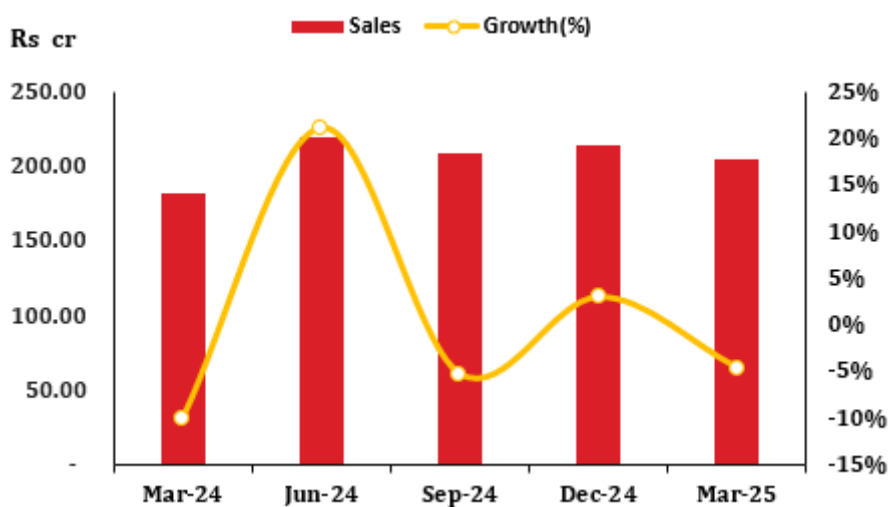
Report Date	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Share Capital	30.00	54.01	54.01	54.01	54.01
Reserves	203.94	384.40	466.44	549.89	643.37
Borrowings	281.33	249.80	339.50	469.10	507.00
Other Liabilities	36.21	67.51	71.04	71.98	75.93
Total	551.48	755.72	930.99	1,144.98	1,280.31
Net Block	259.51	291.16	393.65	526.64	559.99
Capital Work in Progress	8.58	8.74	7.37	10.92	11.46
Investments	46.41	45.93	21.73	6.07	9.71
Other Assets	236.98	409.89	508.24	601.35	699.15
Total	551.48	755.72	930.99	1,144.98	1,280.31

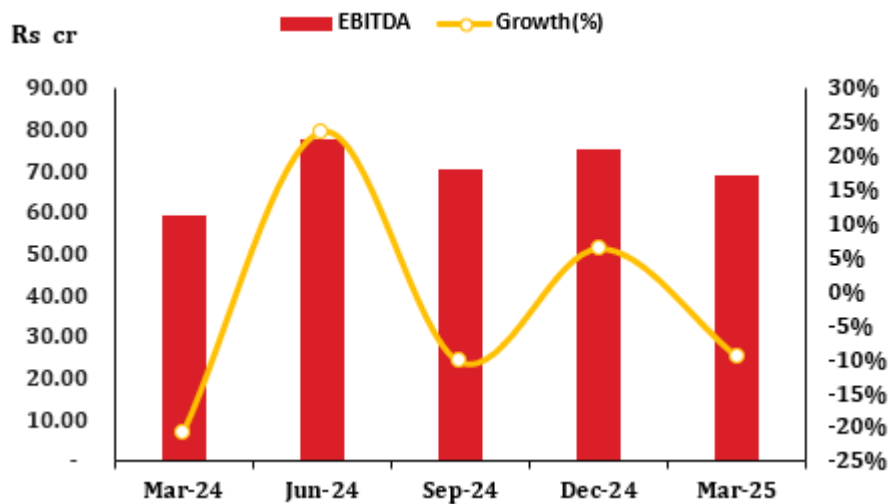
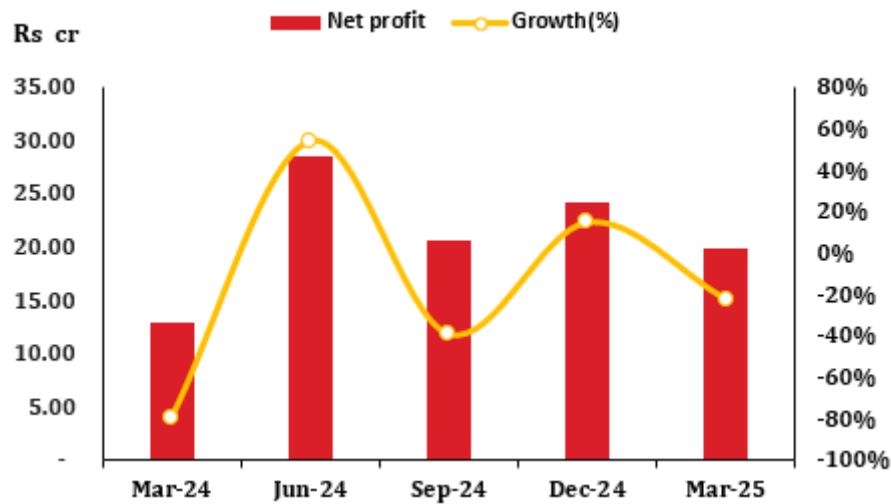
Cash Flow

(Rs Cr)

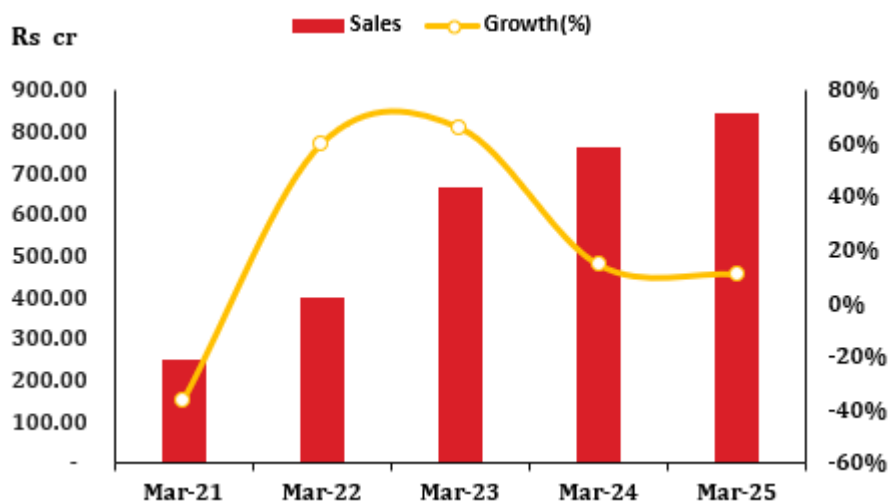
	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activity	90.08	33.02	103.74	218.69	198.76
Cash from Investing Activity	-47.49	-58.42	-27.57	-73.13	-75.59
Cash from Financing Activity	-37.14	64.21	-84.09	-107.76	-122.74
Net Cash Flow	5.46	38.81	-7.92	37.8	0.43

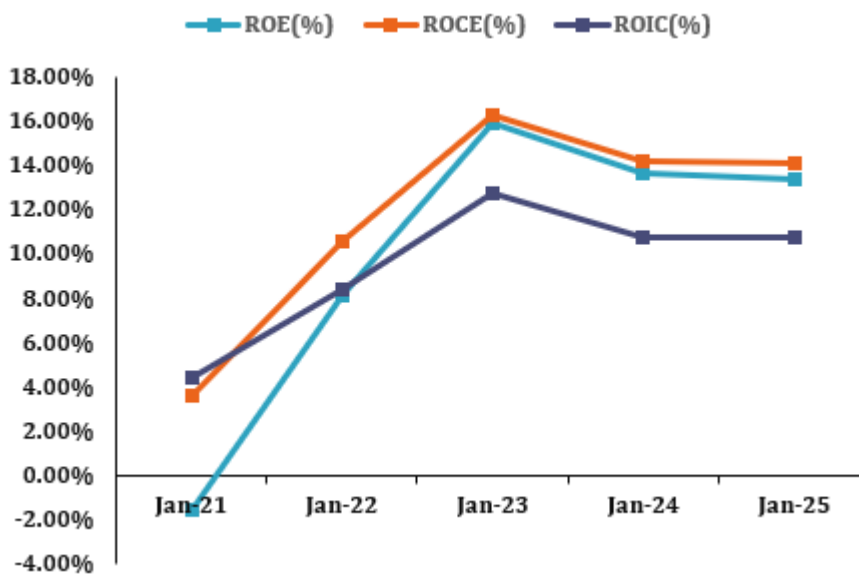
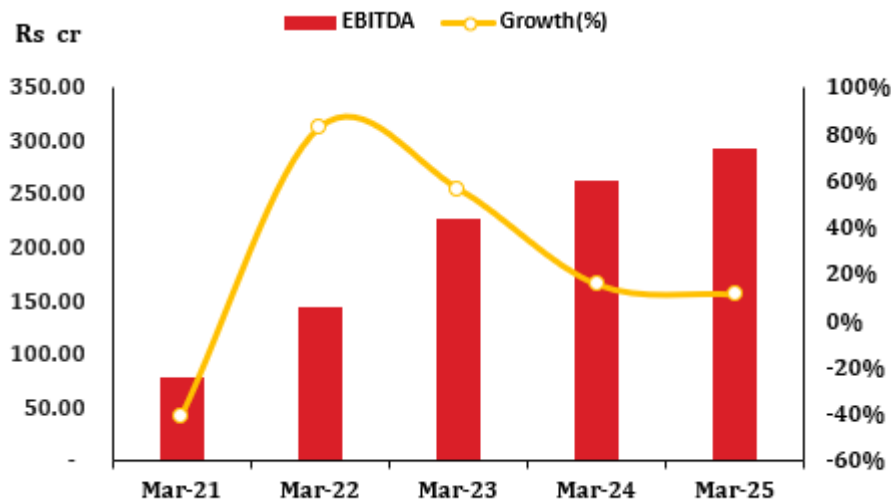
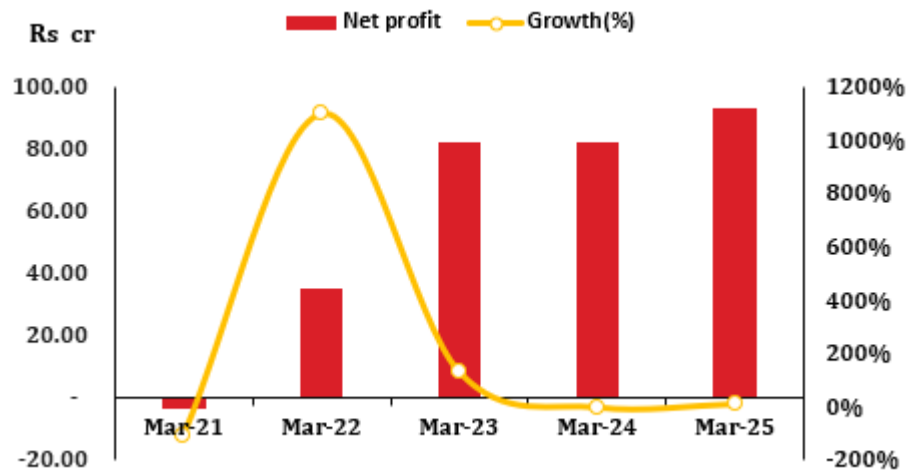
Key Metrics: Quarterly





Key Metrics: Yearly





Key Ratio:

Leverage Ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
D/E	1.20	0.57	0.65	0.78	0.73
Debt/Assets	0.51	0.33	0.36	0.41	0.40
Debt/Ebitda	3.56	1.73	1.50	1.78	1.73
Debt/Capital Ratio	55%	36%	39%	44%	42%
Cash flow/Debt	0.32	0.13	0.31	0.47	0.39
Interest coverage ratio	0.86	2.91	4.48	3.60	3.66
Sales Change	-36%	60%	66%	15%	11%
Ebit Change	-79%	293%	92%	9%	11%
Operating Leverage	1.75	2.68	1.12	0.97	0.81
Financial Leverage	2.36	1.72	1.79	1.90	1.84

Efficiency ratios					
Receivable days	69	55	40	38	45
Receivable turnover	5.32	6.67	9.21	9.62	8.02
Inventory days	0.00	0.00	0.00	0.00	0.00
Inventory turnover	2	2	2	2	2
Net Fixed assets turnover	0.97	1.38	1.69	1.45	1.51
Sales/capital employed	0.49	0.58	0.77	0.71	0.70
Total Asset Turnover	0.45	0.53	0.71	0.67	0.66

Profitability ratios					
Ebitda	79.06	144.76	226.96	262.99	293.35
Ebitda margin	32%	36%	34%	34%	35%
Gross Profit	131.66	216.55	376.36	434.65	581.78
Gross Profit Margin	53%	54%	57%	57%	69%
EBIT	18.56	72.92	139.91	152.61	169.66
EBIT Margin	7%	18%	21%	20%	20%
ROE	-2%	8%	16%	14%	13%
Net profit margin	-1%	9%	12%	11%	11%
EPS	-1.18	6.59	15.33	15.33	17.31
DU Pont ROE	-2%	8%	16%	14%	13%
Net Profit Margin	-1%	9%	12%	11%	11%
Sales/Total assets	0.45	0.53	0.71	0.67	0.66
Financial Leverage	2.36	1.72	1.79	1.90	1.84
DU PONT ROA	-1%	5%	9%	7%	7%
Net Profit Margin	-1%	9%	12%	11%	11%
Sales/Total assets	0.45	0.53	0.71	0.67	0.66

Capital Allocation Ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
ROCE	-3%	6%	12%	10%	10%
EBIT Margin	7%	18%	21%	20%	20%
Sales/cap employed	0.49	0.58	0.77	0.71	0.70
NOPAT	20.92	54.23	106.58	114.62	128.66
Capital employed	515.27	688.21	859.95	1073	1204.38
ROIC	4%	8%	12%	11%	11%

Valuation Ratios					
Price/Earnings		153.43	65.52	78.62	38.86
Price/Book	-	12.46	10.42	10.78	5.21
Marketcap	-	5,462.10	5,425.11	6,508.08	3,633.66
Enterprise Value	241.64	5,606.13	5,677.44	6,785.12	3,902.32
EV/EBITDA	3.06	38.73	25.02	25.80	13.30

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