

### Issue Details

<b>Issue Size</b>	Rs. 968.53 Crore – Rs. 1,013.61 Crore	<b>Price Band:</b>	Rs.655 – Rs.690
<b>IPO Date:</b>	17 <sup>th</sup> Nov 2021 to 22 <sup>th</sup> Nov 2021	<b>Offer Ratio:</b>	QIB: 75%, NII: 15%, Retail: 10%
<b>Bid Lot:</b>	21 Equity Shares and in multiples thereof		

### Company Profile

Go Fashion (India) Limited is a women's bottom-wear brands in India, with a market share of approximately 8% in the branded women's bottom-wear market in Fiscal 2020 (Source: Technopak Report). The company is engaged in the development, design, sourcing, marketing and retailing a range of women's bottom-wear products under the brand, 'Go Colors'. The company offered one of the widest portfolios of bottom-wear products among women's apparel retailers in India in terms of colours and styles, as of July 2021 (Source: Technopak Report). The company was the first company to launch a brand exclusively dedicated to women's bottom-wear category and has leveraged this advantage to create a direct-to-consumer brand with a diversified and differentiated product portfolio of premium quality products at competitive prices (Source: Technopak Report).

The company's bottom-wear products, which include churidars, leggings, dhotis, harem pants, patiala, palazzos, culottes, pants, trousers and jeggings, are sold across multiple categories such as ethnic wear, westernwear, fusion wear, athleisure, denims, plus sizes and girls wear making their portfolio 'universal' and for every occasion. As of September 30, 2021, the company sold bottom-wear in over 50 styles in more than 120 colours. The company endeavour to provide its customers with premium quality products, and at a price range that caters across all income segments and the price range of their products ranges from ₹ 225 to ₹ 1,599 while the average selling price of products in Fiscal 2021 was ₹ 584.02 and ₹ 619.05 in the three months ended June 30, 2021.

The company serve its customers primarily through their extensive network of 459 exclusive brand outlets ("EBOs") (including 12 kiosks operated on a "company owned and company operated" ("COCO") model and 11 franchise stores) that are spread across 23 states and union territories in India, as of September 30, 2021. The company design their products to cater to women across all age groups and girls and fits that are suitable to various body types and physiques.

### Competitive Strengths

- Among the largest women's bottom-wear brand in India with well-diversified product portfolio and first mover advantage
- Multi-channel Pan-India distribution network with a focus on EBOs, enhancing brand visibility
- Strong unit economics with an efficient operating model
- Extensive procurement base with highly efficient and technology-driven supply chain management
- In-house expertise in developing and designing products
- Demonstrated track record of strong financial performance

### Object of the Offer

Particulars	Amount (Rs. In Million)
Funding roll out of 120 new EBOs	337.34
Funding working capital requirements	613.98
General Corporate Purposes*	[-]
<b>Total Net Proceeds</b>	<b>[-]</b>

\*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

## Financials (Restated)

Particulars (Rs. In Million)	As at June 30, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Equity Share Capital	789.95	789.95	789.95	789.95
Other Equity	1,849.05	2,039.41	2,073.07	1,493.39
Net Worth	2,639.00	2,829.36	2,863.02	2,283.34
Total Borrowings	0.03	104.39	27.9	82.81
Revenue from Operations	309.96	2,506.68	3,920.14	2,852.47
EBITDA	(152.08)	463.49	1,265.05	799.88
Profit/Loss Before Tax	(183.74)	(31.35)	682.86	422.14
Net Profit/Loss for the year	(189.96)	(35.39)	526.34	309.41

## Comparison with peers

Company	FV/Share (₹)	EPS (Basic)	RONW (%)	NAV (₹ per share)	P/E (times)
Go Fashion (India) Limited *	10	(0.68)	(1.25)	54.21	-
<b>Listed Peers</b>					
Page Industries Limited	10	305.35	38.5	793.34	130.17
Trent Limited	1	(4.11)	(7.7)	66.32	NA
Bata India Limited	5	(6.95)	(5.1)	136.74	NA
Aditya Birla Fashion & Retail Limited	10	(8.23)	(27.5)	29.24 <sup>#</sup>	NA
TCNS Clothing Company Limited	2	(8.85)	(9.2)	99.47	NA

### Notes:

\* Financial information for Go Fashion (India) Limited is derived from the Restated Financial Information for the year ended March 31, 2021

<sup>#</sup> For the purpose of the NAV calculation for Aditya Birla Fashion and Retail Limited, the number of shares as of March 31, 2021 have been calculated as the number of fully paid up equity shares (84,76,21,159) plus 75% (basis the calls made as of March 31, 2021) of the number of partly paid up shares outstanding (9,02,77,042)

(1) All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2021.

(2) P/E ratio is calculated as closing share price (as of November 9, 2021 - BSE) divided by/Diluted EPS for year ended March 31, 2021.

(3) Basic and Diluted EPS as reported in the annual report of the company for the year ended March 31, 2021.

(4) Return on net worth (%) = Net profit/(loss) after tax attributable to equity shareholders divided total equity net of minority interest

(5) Net Asset Value per share (in ₹) = Total equity net of minority interest divided by Total number of equity shares outstanding at the end of the year.

(6) Total Equity has been computed as sum of paid-up share capital and other equity

^ Not applicable since EPS is negative

## **Key Risk Factors**

- The current and continuing impact of the ongoing COVID-19 pandemic on the company's business and operations has been significant. The impact of the pandemic on their operations in the future, including its effect on the ability or desire of customers to visit its stores, is uncertain and may be significant and continue to have an adverse effect on their business prospects, strategies, business, operations, their future financial performance, and the price of Equity Shares.
- The company is exposed to all of the risks associated with leasing real estate, and any adverse developments could materially affect their business, results of operations and financial condition.
- There are outstanding litigation proceedings against the Company. Any adverse outcome in such proceedings may have an adverse impact on their reputation, business, financial condition, results of operations and cash flows.
- The company has incurred losses in Fiscal 2021. In the event they incur net loss in the future, their business and financial condition may be adversely affected.
- The company is dependent on sales through large format stores, multi-brand outlets, its franchisees, and online retailers for a significant portion of their revenues. The company's business, results of operations and financial condition could suffer if they fail to maintain relationships with such third parties.
- The company has issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.
- The company is dependent on third-party transportation providers for the supply of raw materials and delivery of their products.
- The company has in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.
- The company has certain contingent liabilities that have not been provided for in the company's financial statements, which if they materialize, may adversely affect their financial condition.
- The company will not receive any proceeds from the Offer for Sale portion.
- After the completion of the Offer, the company's Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in the Company.
- Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of the company's operating results.

(Please refer the entire list of risk factors given in section II (page 22 onwards) given in RHP)

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## **Registration details:**

JM Financial Services Ltd.

Stock Broker - Registration No. - INZ000195834

Corporate Identity Number: U67120MH1998PLC115415

Registered office Address: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025.

Tel: (91 22) 6630 3030 | Fax: (91 22) 6630 3223

Corporate office Address: 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin - 400025.

Tel: (91 22) 6704 3000/3024 3000 | Fax: (91 22) 6704 3139.