

G.N. Pal and Sons

Instrument	Amount rated	Rating Action
Long-term fund-based bank facilities	Rs. 10.00 crore	[ICRA]B; assigned

ICRA has assigned its long-term rating of **[ICRA]B** (pronounced ICRA B) to the Rs. 10.00 crore¹ fund-based bank facilities of G.N. Pal and Sons.

ICRA's rating takes into account the early stage of the operations wherein the firm is yet to see the scalability of revenues and achieve the estimated profitability. The rating also factor in the intense competition in the gold jewellery retailing from other organized and unorganized players in the Haldwani region. The rating is also constrained by the risks in the gold price fluctuation although fast moving inventory and return policy of Tanishq helps manage inventory risk to some extent. The rating however draws comfort from the firm operating a franchise of 'Tanishq' a well established brand in the Indian markets along with healthy revenues and footfalls seen in the first six months of operations. The rating also derives comfort from promoter's background as they have been operating other group concerns in different domains.

Going forward, the ability of the firm to ramp-up its revenues and footfalls to generate adequate profitability and cash accruals will be key rating sensitivities. Any significant inventory loss will also be a key rating monitorable.

Company Profile

G.N. Pal and Sons was established in 2015 as a partnership concern and started operations in October 2015. The firm operates a franchise of Tanishq in Haldwani. All the ornaments sold are manufactured and supplied by Titan Industries Ltd. The showroom has been set up to fulfill the norms and standards of Titan with respect to display, stocking and selling.

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¹ Rs 1 Crore = Rs 100 Lakh = Rs 10 Million

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