

Date: 5th August, 2016

To,
The Manager
Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**
Sub: **Investors / Analysts' Presentation {Disclosure of Material Event/
Information under Regulation 30 of SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015}**

Further to our letter dated 29th July, 2016 on the Conference Call, and pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 5th August, 2016 at 4.00 p.m. (IST) is enclosed and the said Earnings Presentation has also been uploaded on the Company's Website at www.tbztheoriginal.com.

We request you to kindly take the same on record.

Thanking You.

Yours faithfully,
For Tribhovandas Bhimji Zaveri Limited



Niraj Oza
Head Legal & Company Secretary & Compliance Officer



Encl: as above

tbz

The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI LTD.

CIN No : L27205MH2007PLC172598

Regd. Office: 241/43, Zaveri Bazar, Mumbai - 400 002. Tel.: +91.22.3956 5001, Fax : +91.22.3956 5056.

Corp. Office : 11th Floor, West Wing, Tulsiani Chambers, 212, Backbay Reclamation, Free Press Journal Road,
Nariman Point, Mumbai - 400 021. Tel.: +91.22.3073 5000, Fax : +91.22.3073 5088.
www.tbztheoriginal.com



INVESTOR PRESENTATION

**Q1 FY17
RESULTS UPDATE**
August, 2016



The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

DISCLAIMER

This presentation has been prepared by Tribhovandas Bhimji Zaveri Limited (“TBZ”) for informational purposes only and does not constitute or form any part of any offer, invitation or recommendation to purchase or subscribe for any securities in any jurisdiction, and no part of it shall form the basis of, or be relied upon in connection with, any contract or commitment on the part of any person to proceed with any transaction.

The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials.

Any forward-looking statements in this presentation are subject to risks and uncertainties that could cause actual results to differ materially from those that may be inferred to being expressed in, or implied by, such statements. Such forward-looking statements are not indicative or guarantees of future performance. Any forward-looking statements, projections and industry data made by third parties included in this presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

This presentation may not be all inclusive and may not contain all of the information that you may consider material. The information presented or contained in these materials is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives accepts liability whatsoever for any loss howsoever arising from any information presented or contained in these materials. This presentation cannot be used, reproduced, copied, distributed, shared or disseminated in any manner. No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of TBZ.



DISCUSSION SUMMARY

- ❖ **Q1 FY17 Results Update**
- ❖ About Us
- ❖ Operational Summary
- ❖ Annexure

BUSINESS SCENARIO

- ❖ Key regulatory measures introduced by the Government –
 - ❖ 1% Excise Duty applicable on jewellery sales from March 1, 2016.
 - ❖ Compulsory Hallmarking of gold jewellery applicable from September 2016.
 - ❖ The government rolled back its Union Budget announcement of applying 1% Tax Collection at Source (TCS) on cash purchase of gold jewellery of ₹ 0.2 mn and above and raised the threshold to the earlier ₹ 0.5 mn with effect from June 1, 2016. The TCS would now be applicable if the cash payment exceeds ₹ 0.5 mn in case of purchase of gold jewellery.
- ❖ The average gold price during Q1 FY17 was up 10.2% YoY.
- ❖ With the increase in gold prices, the gold jewellery retailers witnessed 45-60% increase in recycled gold (exchange of old gold jewellery) at the stores during June-July 2016.
- ❖ Positive Macro-economic trends –
 - ❖ Improvement in GDP growth rate
 - ❖ Good monsoon season leading to revival in rural demand
 - ❖ Implementation of the 7th Pay Commission and OROP
- ❖ TBZ signed its fourth franchise agreement for its upcoming store in Patna, Bihar.

KEY RESULT TAKEAWAYS

REVENUES:

- ❖ Q1 FY17 revenues declined by 21.6% YoY –
 - ❖ During the quarter ended 30th June, 2016, in particular the month of April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry. The business operations took some time to stabilize in view of the discussions between the Trade and the Government representatives, which culminated on 26th July, 2016, by way of the issuance of a Government notification to that effect. This impacted revenues and profits for the company. Accordingly, the financial results of the current quarter are not strictly comparable with the financial results for the same period in the previous year i.e. the quarter ended 30th June 2015.
 - ❖ During the quarter the company registered a healthier sales mix as the contribution of diamond jewellery increased from 20.9% in Q1 FY16 to 23.8% in Q1 FY17.
 - ❖ Contribution to sales from the new Kalpavruksha Scheme (re-launched in June 2015) during Q1 FY17 was ₹ 405 mn. Q1 FY16 had seen ₹ 580 mn of redemptions under the earlier Kalpavruksha Scheme.

MARGINS:

- ❖ Q1 FY17 gold gross margin increased from 11.5% to 14.7% and diamond gross margin declined from 32.5% to 28.4%.
- ❖ Q1 FY17 blended gross margins improved by 235 bps YoY to 17.8% driven by higher share of diamond jewellery (23.8% vs. 20.9%) and higher gold gross margins.
- ❖ Q1 FY17 EBITDA margin improved by 157 bps to 5.6% driven by higher gross margin and lower advertising/marketing expense and lower operating overheads.

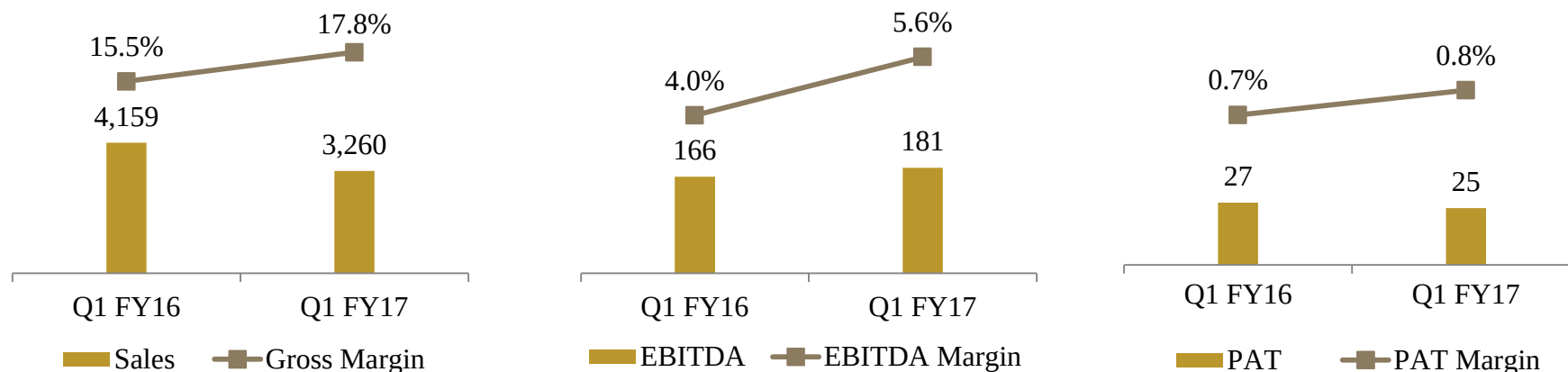
BALANCE SHEET:

- ❖ Inventory valuation increased primarily because of higher gold prices which led to increase in the value of gold on loan portion (valued on a mark-to-market basis).
- ❖ The average cost of debt was 8.0% during Q1 FY17. It is expected to decrease with the increase in share of gold on loan
- ❖ The new Kalpavruksha Scheme (re-launched in June 2015) continued to witness good traction with advances of ₹ 530 mn as on 30th June 2016.

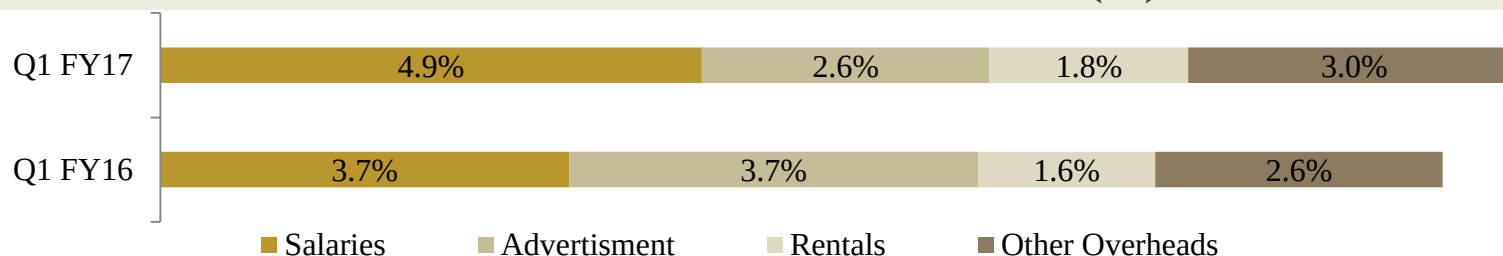
Q1 FY17 RESULTS UPDATE

In Rs Mn

PROFIT ANALYSIS *



OPERATING PARAMETERS (%) **



NOTE:

* During the quarter ended 30th June, 2016, in particular the month of April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry. The business operations took some time to stabilize in view of the discussions between the Trade and the Government representatives, which culminated on 26th July, 2016, by way of the issuance of a Government notification to that effect. This impacted revenues and profits for the company. Accordingly, the financial results of the current quarter are not strictly comparable with the financial results for the same period in the previous year i.e. the quarter ended 30th June 2015.

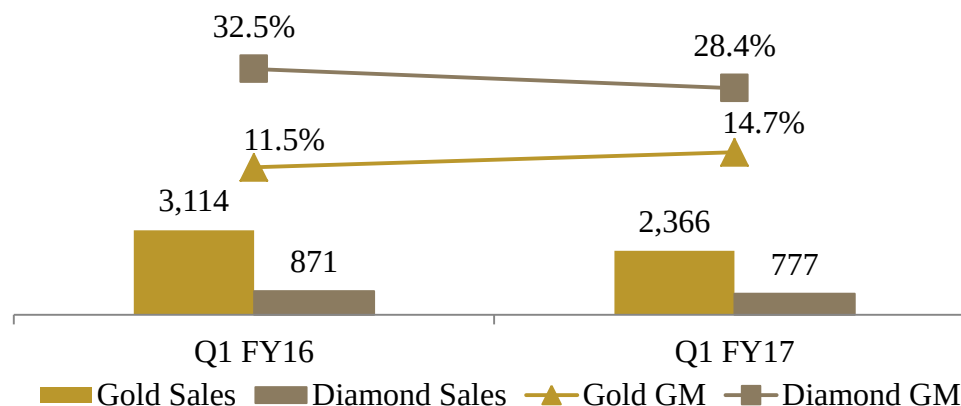
Contribution to sales from the new Kalpavruksha Scheme (re-launched in June 2015) during Q1 FY17 was ₹ 405 mn. Q1 FY16 had seen ₹ 580 mn of redemptions under the earlier Kalpavruksha Scheme.

**Operating parameters as % of Revenues appear to be higher in Q1 FY17 due to lower revenue base. In absolute terms, the overall operating expenses have declined by 16.3%

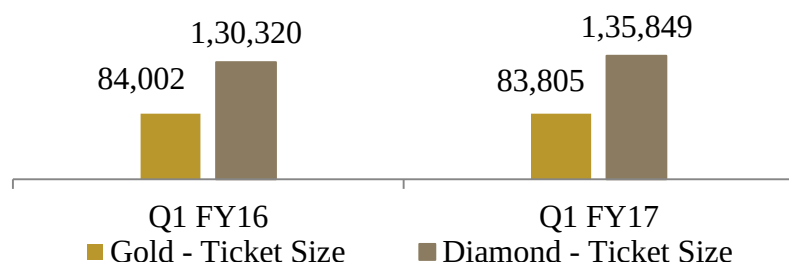
Q1 FY17 RESULTS UPDATE

In Rs Mn

SEGMENT ANALYSIS



AVERAGE TICKET PRICE



Q1 FY17	Gold	Diamond
% of Sales – Q1 FY17	72.6%	23.8%
% of Sales – Q1 FY16	74.9%	20.9%
Sales Growth % **	-24.0%	-10.8%
SS Sales Growth % **	-26.0%	-14.4%
SS Total Sales Growth % **	-23.9%	

SS: Same store sales value growth

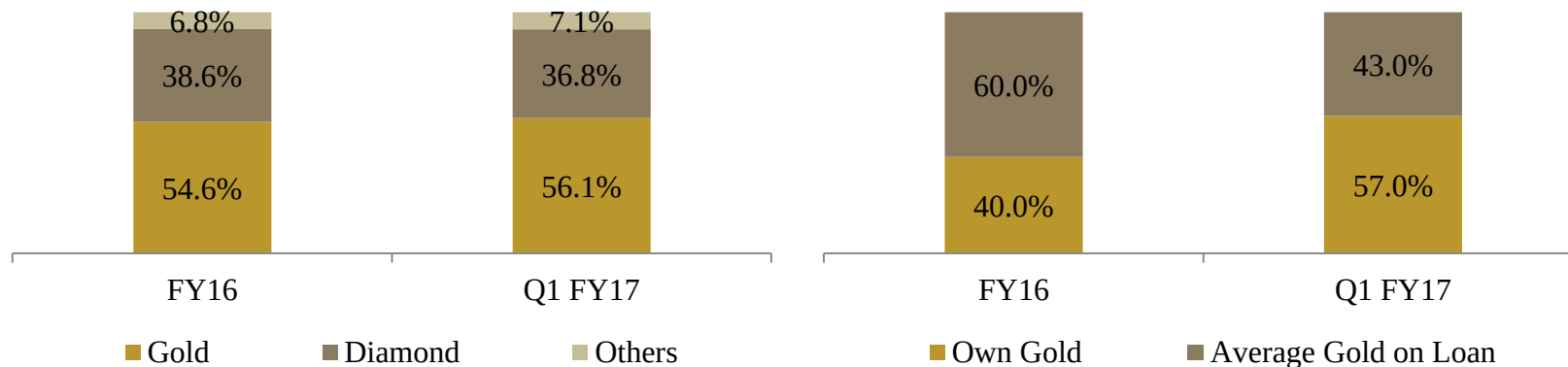
NOTE:

* During the quarter ended 30th June, 2016, in particular the month of April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry. The business operations took some time to stabilize in view of the discussions between the Trade and the Government representatives, which culminated on 26th July, 2016, by way of the issuance of a Government notification to that effect. This impacted revenues and profits for the company. Accordingly, the financial results of the current quarter are not strictly comparable with the financial results for the same period in the previous year i.e. the quarter ended 30th June 2015.

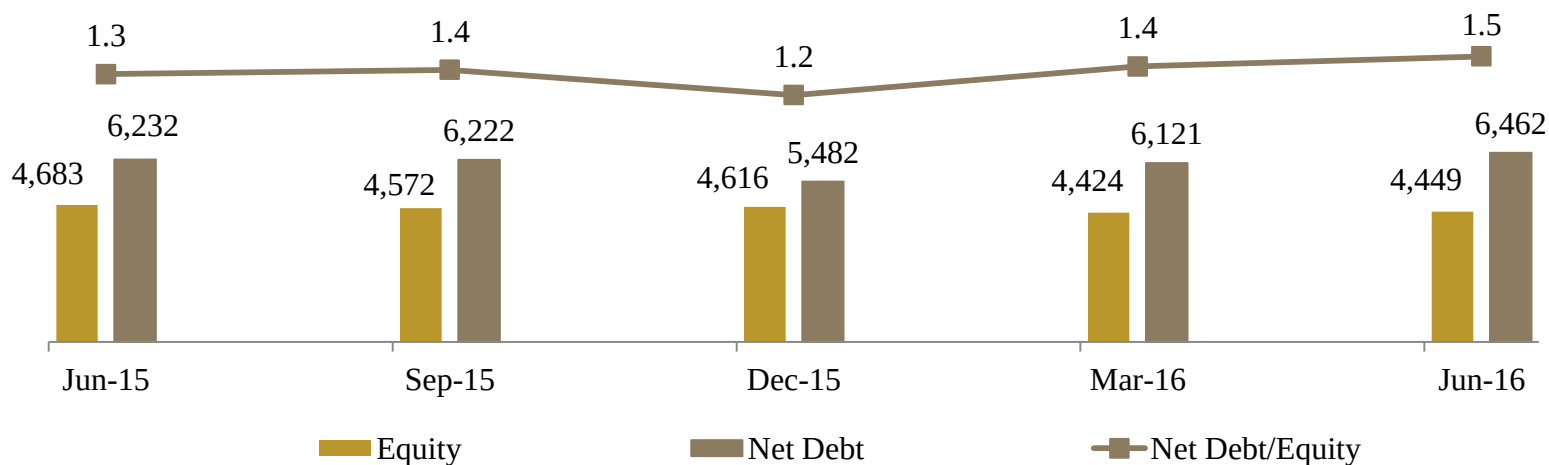
Contribution to sales from the new Kalpavruksha Scheme (re-launched in June 2015) during Q1 FY17 was ₹ 405 mn. Q1 FY16 had seen ₹ 580 mn of redemptions under the earlier Kalpavruksha Scheme.

BALANCE SHEET UPDATE

INVENTORY BREAKUP (%)



LEVERAGE (RS MN)



RESULTS UPDATE – JUNE 2016

PARTICULARS (IN MN) (QUARTERLY UNAUDITED)	Q1 FY17 * (₹)	Q1 FY16 (₹)	YoY %	Q4 FY16* (₹)	QoQ %	FY16 * (₹)
Revenues	3,260	4,159	-21.6%	3,052	6.8%	16,548
COGS	2,679	3,515	-23.8%	2,521	6.3%	14,195
Gross Profit	581	644	-9.7%	531.0	9.5%	2,353
Gross Margin (%)	17.8%	15.5%	235 bps	17.4%	43 bps	14.2%
Personnel Expenses	159	153	3.7%	173	-8.2%	660
Other Expenses	241	325	-25.8%	365	-34.0%	1,298
EBITDA	181	166	9.3%	-7.2	2594.6%	396
EBITDA Margin (%)	5.6%	4.0%	157 bps	-0.2%	580 bps	2.4%
Depreciation	22	23	-3.6%	39	-43.6%	101
Other Income	7	46	-85.3%	12	-45.7%	46
Interest Expenses	141	148	-4.2%	128	10.3%	557
Profit Before Tax	25	41	-40.1%	-162	115.3%	-216
Tax	0	14	-100.0%	8	100.0%	15
PAT	25	27	-8.7%	-170	114.6%	-231
Profit Margin (%)	0.8%	0.7%	11 bps	-5.6%	633 bps	-1.4%

NOTE:

* During the quarter ended 30th June, 2016 and year ended 31st March, 2016, in particular the month of March and April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry. The business operations took some time to stabilize in view of the discussions between the Trade and the Government representatives, which culminated on 26th July, 2016, by way of the issuance of a Government notification to that effect. This impacted revenues and profits for the company. Accordingly, the financial results of the current quarter are not strictly comparable with the financial results for the corresponding period in the previous year.

RESULTS UPDATE – JUNE 2016

PARTICULARS (IN MN) (QUARTERLY UNAUDITED)	JUNE-16 * (₹)	MAR-16 * (₹)	DEC-15 (₹)	SEP-15 (₹)	JUN-15 (₹)
Shareholders Funds	4,449	4,424	4,617	4,572	4,683
Loan Funds	6,704	6,505	5,882	6,525	6,545
Other Long Term Liabilities	95	90	30	28	56
Sources of Funds	11,249	11,019	10,529	11,125	11,284
Gross Block	1,448	1,439	1,428	1,385	1,382
Less: Acc. Depreciation	406	386	347	328	310
Net Block	1,042	1,053	1,082	1,064	1,073
Other Long Term Assets	174	167	167	232	202
Inventory	11,631	11,256	10,431	11,246	11,630
Debtors	69	7	12	4	69
Cash and Bank Balance	242	383	400	303	313
Other Current Assets	166	130	144	155	85
Current Liabilities	2,076	1,978	1,708	1,880	2,088
Net Current Assets	10,032	9,799	9,280	9,829	10,009
Application of Funds	11,249	11,019	10,529	11,125	11,284

NOTE:

* During the quarter ended 30th June, 2016 and year ended 31st March, 2016, in particular the month of March and April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry. The business operations took some time to stabilize in view of the discussions between the Trade and the Government representatives, which culminated on 26th July, 2016, by way of the issuance of a Government notification to that effect. This impacted revenues and profits for the company. Accordingly, the financial results of the current quarter are not strictly comparable with the financial results for the corresponding period in the previous year.

ESTIMATED IMPACT OF LOSS OF REVENUES DURING Q1 FY17

In Rs Mn

REPORTED Q1 FY17 RESULTS		LOSS OF SALES IN APRIL 2016		ADJUSTED Q1 FY17 RESULTS	
REVENUES	3,260	SALES LOSS - AT AVERAGE MARCH PRICES	762	REVENUES	4,022
GM %	17.8%	GM %	17.8%	GM %	17.8%
PBT	25	PBT	136	PBT	161

DISCLAIMER - The above scenario is based on our internal estimates and on a conservative basis of evaluation considering a normal business environment



DISCUSSION SUMMARY

- ❖ Q1 FY17 Results Update
- ❖ **About Us**
- ❖ Operational Summary
- ❖ Annexure

ABOUT US: WHY IS TBZ DIFFERENT ?

Pedigree

- ❖ 150 years in jewellery business
- ❖ First jeweller to offer buyback guarantee in 1938
- ❖ Professional organisation spearheaded by 5th generation of the family

Strong Brand Value

- ❖ High sales productivity - ₹ 213 k per sq ft per annum (at mature stores)
- ❖ High footfalls conversion - 78%
- ❖ High ticket size - Gold - ₹ 84 k, Diamond - ₹ 132 k

Scalability & Reach

- ❖ 30 stores (~98,200 sq. ft.)
- ❖ Presence - 23 cities, 10 states

Expansion Plan -

- ❖ ~150,000 sq. ft. (75% of expansion (~33,000 sq. ft.) through franchisee route)

TBZ

**SUSTAINABLE
COMPETITIVE
ADVANTAGE**

Specialty Wedding Jeweller

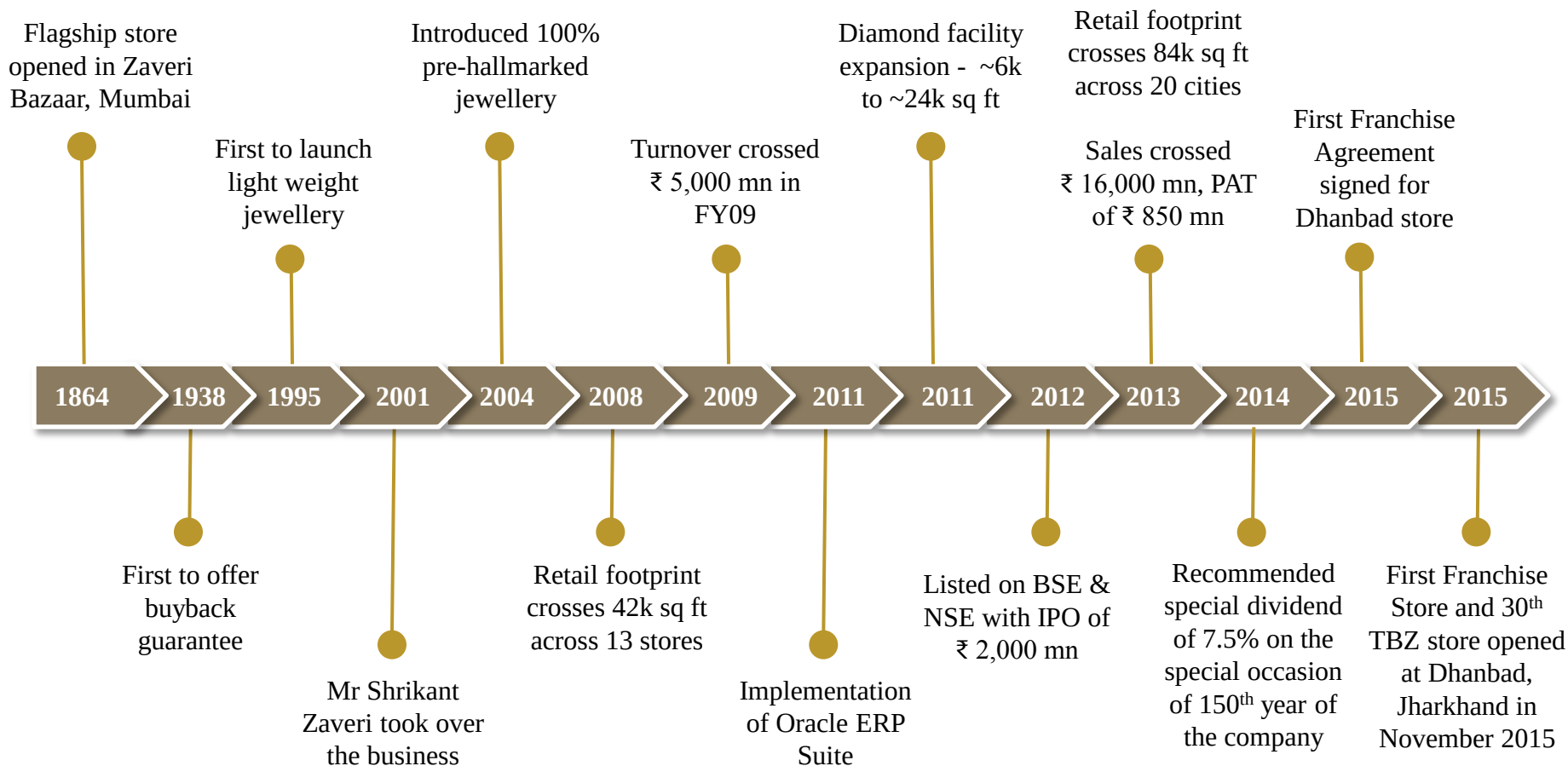
- ❖ ~ 65% of sales are wedding & wedding related purchases
- ❖ Compulsion buying
- ❖ Stable fixed budget purchases by customers

Design Exclusivity

- ❖ 42 designers (incl. 11 CAD)
- ❖ 8 - 10 new jewellery lines/year
- ❖ In-house diamond jewellery production
- ❖ Customer loyalty
- ❖ Premium pricing

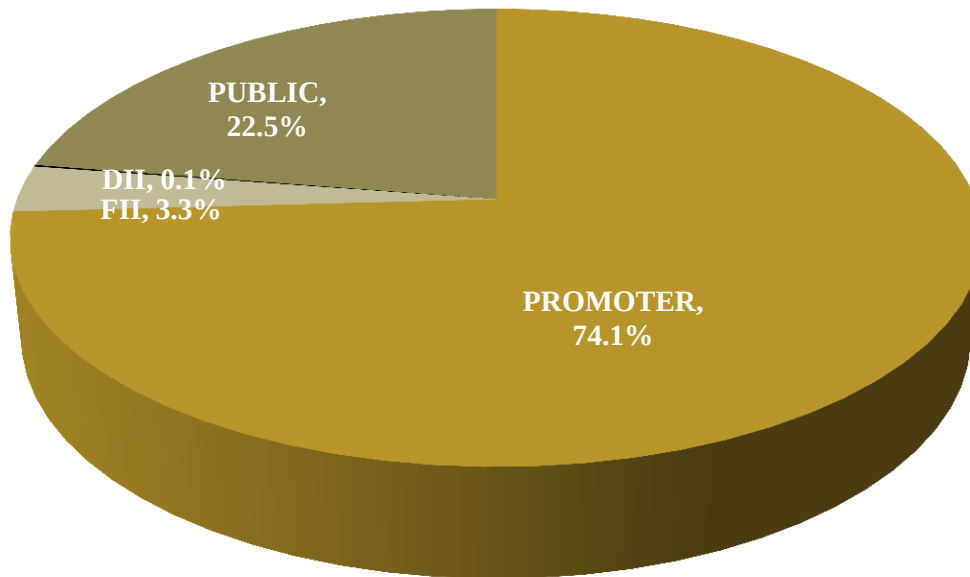
ABOUT US: KEY MILESTONES

STRONG LEGACY OF AROUND 150 YEARS BUILT ON TRUST



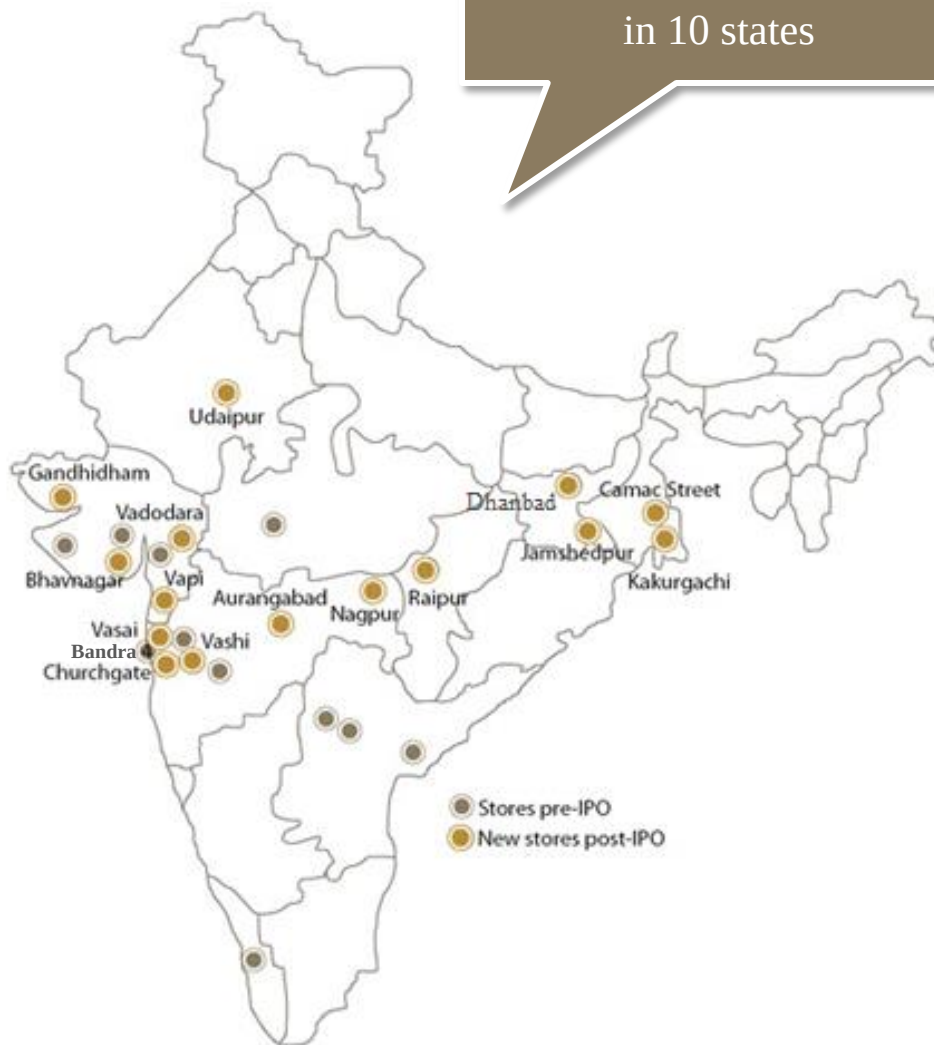
ABOUT US: SHAREHOLDING STRUCTURE

SHAREHOLDING PATTERN – JUNE 2016



ABOUT US: RETAIL PRESENCE

Present across 23 cities
in 10 states



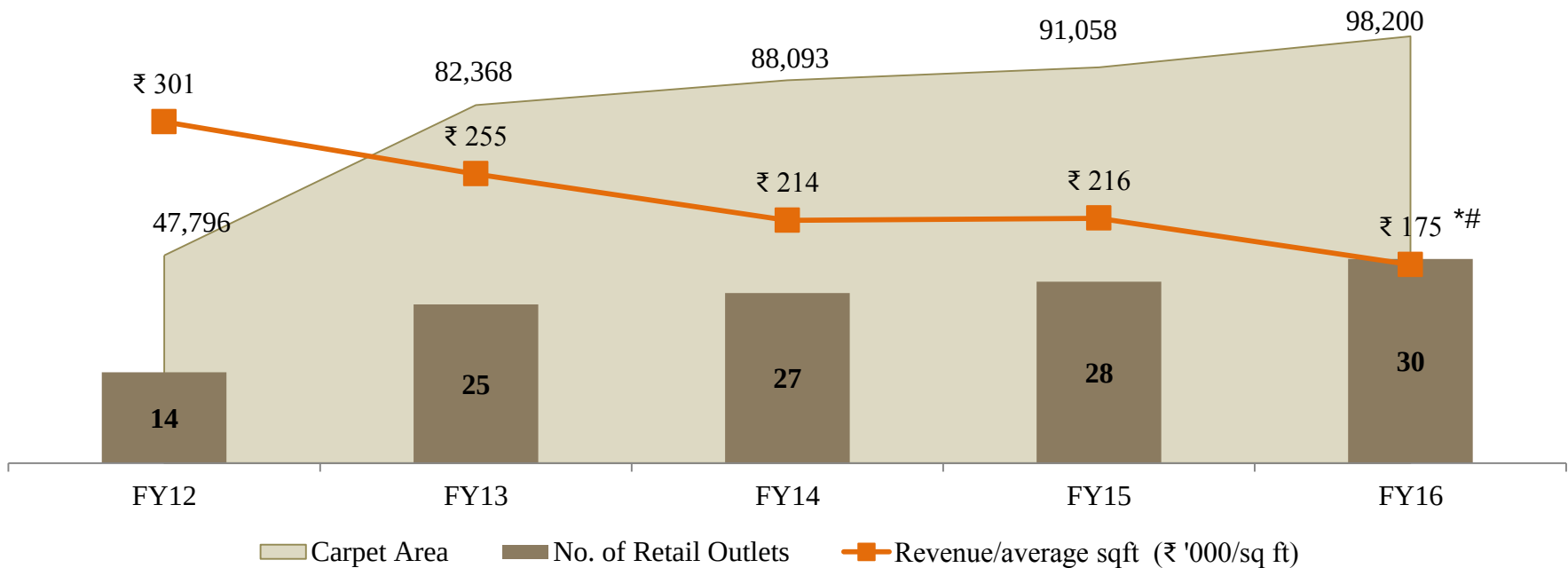
**PAN-INDIA PRESENCE WITH 30 STORES
WITH A RETAIL SPACE OF ~98,200 SQ. FT.
SPREAD ACROSS 23 CITIES IN
10 STATES.**

NUMBER OF STORES	TILL DATE
Large Format	24
Small Format	6
Tier I	17
Tier II	5
Metros	8
Total Stores	30
Total Area	~98,200



ABOUT US: RETAIL FOOTPRINT EXPANSION

HIGH SALES PRODUCTIVITY (REVENUE / YEAR / SQ FT)



- Average of retail area at the beginning and at the end of the financial year
- Sales productivity for the financial year. **Productivity at mature stores – ₹ 213 k per sq ft ****

NOTE: * Nation-wide agitation by the Gems & Jewellery industry in protest against imposition of 1% excise duty led to a loss of sales during the month of March 2016. Accordingly, the financial results of the year ended March 2016 are strictly not comparable with corresponding previous year financials

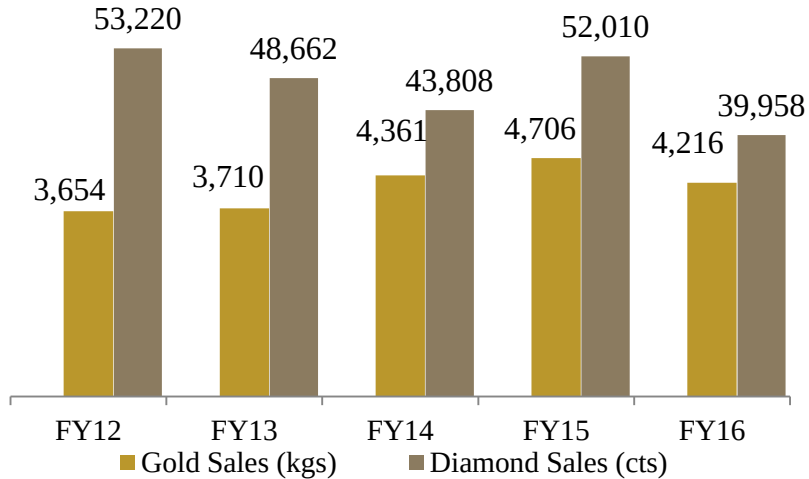


DISCUSSION SUMMARY

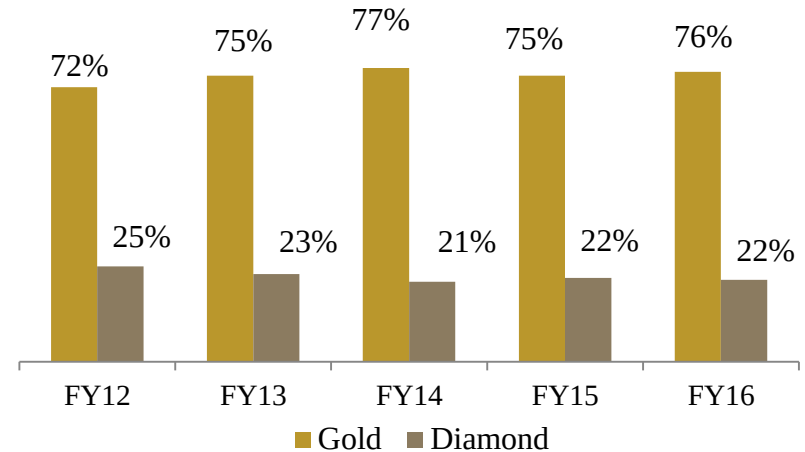
- ❖ Q1 FY17 Results Update
- ❖ About Us
- ❖ **Operational Summary**
- ❖ Annexure

OPERATIONAL SUMMARY

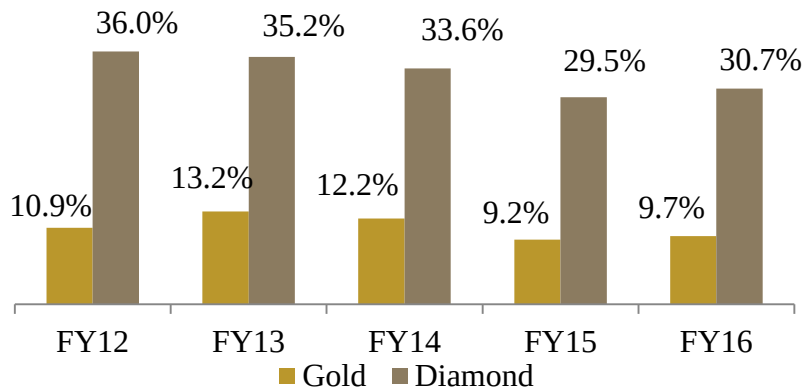
GOLD & DIAMOND VOLUMES *#



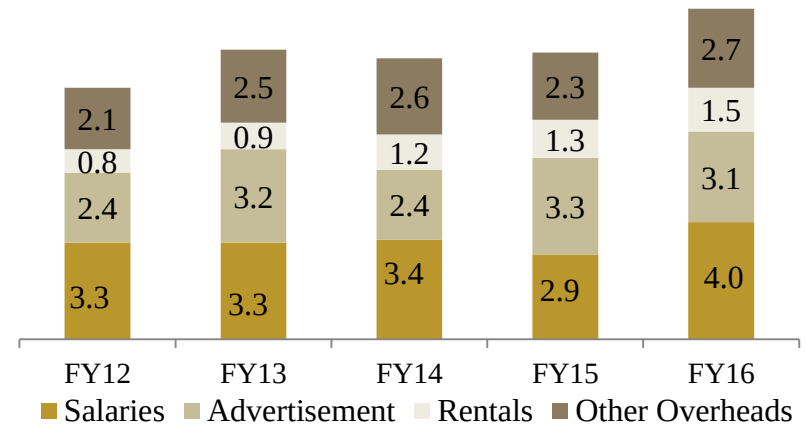
GOLD & DIAMOND SALES MIX (%)



GOLD & DIAMOND MARGINS (%)



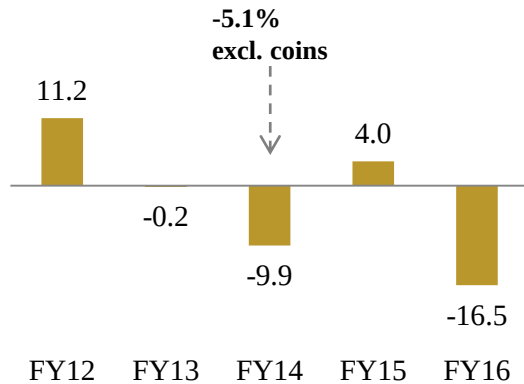
OPERATIONAL EFFICIENCY (%) *#



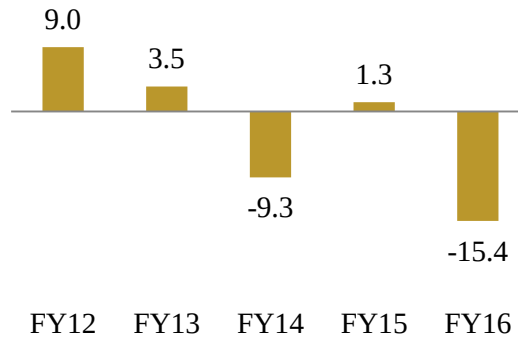
NOTE: * Nation-wide agitation by the Gems & Jewellery industry in protest against imposition of 1% excise duty led to a loss of sales during the month of March 2016. Accordingly, the financial results of the year ended March 2016 are strictly not comparable with corresponding previous year financials

OPERATIONAL SUMMARY

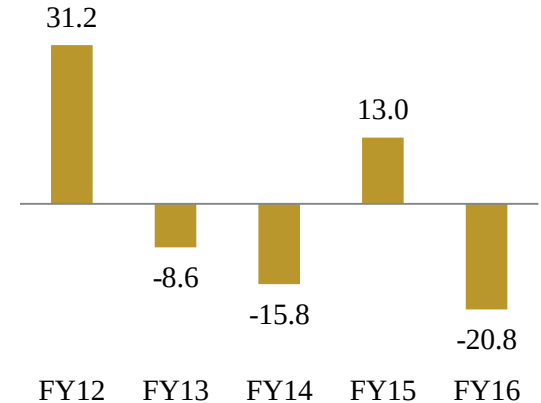
SSSG - TOTAL (%) *#



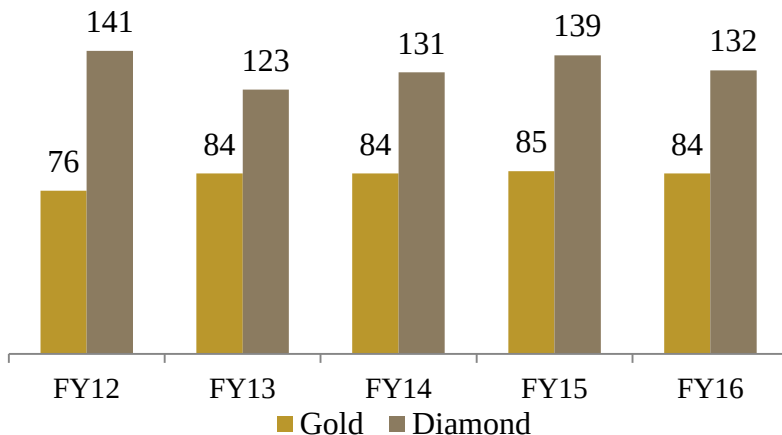
SSSG - GOLD (%) *#



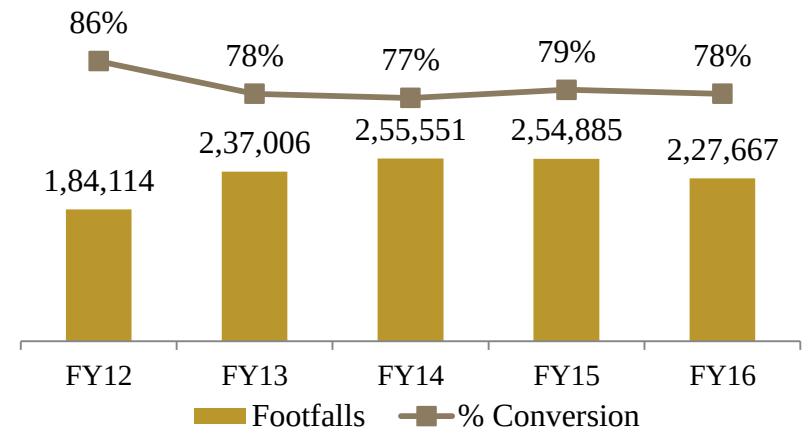
SSSG - DIAMOND (%) *#



AVERAGE TICKET SIZE (RS '000)



FOOTFALLS & CONVERSION



SSSG: Same store sales value growth

NOTE: * Nation-wide agitation by the Gems & Jewellery industry in protest against imposition of 1% excise duty led to a loss of sales during the month of March 2016. Accordingly, the financial results of the year ended March 2016 are strictly not comparable with corresponding previous year financials

THANK YOU



Saurav Banerjee, CFO
Tribhovandas Bhimji Zaveri Limited
+91 022 30735000
saurav.banerjee@tbzoriginal.com

DICKENSON **SEAGULL** **IR**

Nilesh Dalvi/Mandar Kapse
Dickenson Seagull IR
+91 9819289131/+91 9867550004
nilesh.dalvi@dickensonir.com
mandar.kapse@dickensonir.com

ANNEXURE

AWARDS & RECOGNITION

- ❖ **“BEST NECKLACE DESIGN AWARD– 2016 ”**
JJS-IJ Jewellers’ Choice Design Award - 2016
- ❖ **“ASIA’S MOST POPULAR BRANDS – 2014 ”**
World Consulting & Research Corporation (WCRC) - 2014
- ❖ **“BEST JEWELLERY COMPANY AWARD”**
Gems & Jewellery Trade Council of India Excellence Awards - 2014
- ❖ **“BEST DIAMOND JEWELLERY & BRACELET DESIGN”**
Indian Jeweller Jeweller’s Choice Design Award - 2014
- ❖ **“COLOURED GEMSTONE JEWELLERY OF THE YEAR”**
Annual Gemfields & Nazraana Retail Jeweller India Awards - 2014
- ❖ **“360 DEGREE MARKETING CAMPAIGN OF THE YEAR”**
Annual Gemfields & Nazraana Retail Jeweller India Awards - 2014
- ❖ **“BEST RETAIL MARKETING CAMPAIGN – NEW AGE BRIDE”**
Asia Retail Congress - 2014



BUSINESS MODEL: PRODUCT



GOLD
(75%)

Gross Margins – 11%
Stock Turns – 2.5x - 3x



DIAMONDS
(25%)

Gross Margins – 35%
Stock Turns – 1x



WEDDING (65%)



FASHION (35%)



WEDDING (40%)



FASHION (60%)

WEDDING SALES TO DRIVE STRONG VOLUMES
WEDDING & FASHION SALES TO DRIVE FUTURE GROWTH



BUSINESS MODEL: MANUFACTURING

PROCUREMENT

Gold

- ❖ Raw Material - Bullion

Sources:

- ❖ Exchange & purchase of old jewellery
- ❖ Bullion dealers
- ❖ Banks - imported gold
- ❖ Banks - domestic gold (gold deposits) on loan

MANUFACTURING

- ❖ Gold jewellery manufacturing is outsourced.
- ❖ Vast nation-wide network of 150 vendors
- ❖ Each vendor has an annual gold processing capacity of more than 100 kg.
- ❖ These vendors are associated with TBZ since generations and are experts in handmade regional jewellery designs.



BUSINESS MODEL: MANUFACTURING

PROCUREMENT

DIAMOND

- ❖ Raw Material - Cut & polished diamonds (VVS grade)

Sources:

- ❖ DTC site holders
- ❖ Other vendors

MANUFACTURING

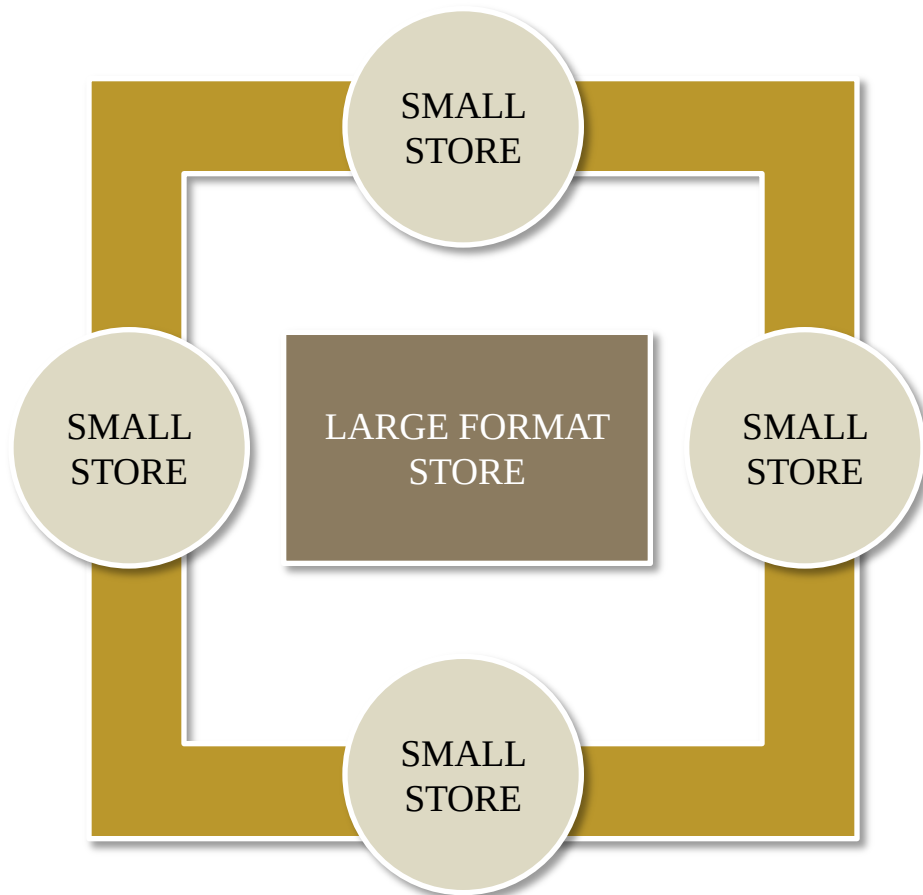
- ❖ In-house diamond jewellery manufacturing leading to exclusive designs, lower costs, and higher margins
- ❖ Manufacturing facility at Kandivali, Mumbai spread over ~24,000 sq ft with capacity of ~200,000 cts (on dual shift basis).
- ❖ The facility also has capacity for 4,000 kg of gold refining and 4,500 kg of gold jewellery components manufacturing.



BUSINESS MODEL: RETAIL

EFFICIENT INVENTORY MANAGEMENT

HUB & SPOKE MODEL - ROI OPTIMISATION



SMALL STORES

- ❖ 1,000 - 1,500 sq ft
- ❖ Across the city
- ❖ Smaller range
- ❖ Lower price points (up to ₹ 500k)
- ❖ Inventory - ₹ 93 mn
Gold : Diamond - 70 : 30

LARGE STORES

- ❖ 3,000 sq ft & above
- ❖ Standalone high street - heart of city
- ❖ Wider range
- ❖ Higher price points (up to ₹ 2,000k)
- ❖ Inventory - ₹ 280 mn
Gold : Diamond - 70 : 30

BUSINESS MODEL: ECONOMICS

PARTICULARS	LARGE FORMAT	SMALL FORMAT
Size sq ft	Above 3,000	1,000 – 1,500
Average Sales per sq ft in Year 1 (₹)	250,000	250,000
Gold : Diamond	75:25	75:25
Gross Margin - Gold : Diamond	11% : 35%	11% : 35%
Blended Gross Margins	17.2%	17.2%
Store Costs:		
Advertising	2.5%	2.5%
Salary	1.1%	1.1%
Rentals	1.0%	1.0%
Other Overheads	1.5%	1.5%
Store Operating Margins	11.1%	11.1%
Store Capex (mn)	₹ 18	₹ 7.5
Store Working Capital (mn)	₹ 280	₹ 93
ROCE	28%	
Store Cash BEP (in months)	8-10 months	



BUSINESS MODEL: SCALABILITY

- ❖ TBZ has an expansion plan to increase its retail space from ~98,200 sq. ft. at present to around 150,000 sq. ft. by FY18.
- ❖ TBZ plans to carry out 75% of the expansion through the franchisee route and balance 25% through the addition of its own stores.
- ❖ All the prospective expansion locations have already been identified backed by 2 years of extensive market research.

	FY12		Till Date		target
Number of Stores	14	➔	30	➔	57
Retail Sq ft	~48,000		~98,200		~150,000
Number of Cities	10		23		43



GOLD METAL LOAN: EFFICIENT SOURCING CHANNEL

GOLD METAL LOAN ORIGINATION

- ❖ TBZ takes 10 kg gold from a bank on lease on day 0.
- ❖ The contract for gold lease is 180 days.
- ❖ TBZ provides a bank guarantee worth 110% of gold leased.
- ❖ Total Financing cost (interest on gold lease plus bank guarantee commission) to TBZ is ~3.5-4.5% p.a.

GOLD METAL LOAN REPAYMENT

- ❖ TBZ repays the gold daily based on actual sales of gold jewellery.
- ❖ The bank converts 1 kg of gold on lease as a sale to TBZ at a reference rate set by them as on day 1.
- ❖ TBZ books a purchase of 1 kg of gold.
- ❖ The balance 9 kg worth of gold continues to remain on lease.
- ❖ TBZ again replenishes the inventory by taking 1 kg of gold on lease from bank on day1.
- ❖ Since TBZ's gold jewellery inventory turns 2-3 times, it repays the gold lease before 180 days.

GOLD METAL LOAN ADVANTAGES

- ❖ **Interest Cost Savings:** Borrowing cost on gold lease is significantly lower compared to working capital borrowing cost.
- ❖ **No Commodity Risk:** Since gold is taken on lease, there is no gain if gold prices increase or loss if gold prices decrease.

GOLD METAL LOAN REPAYMENT

- ❖ **Sharp increase in gold prices:** Gold lease is marked to market on a daily basis. So any increase in gold price will cause TBZ to top up its bank guarantee.
- ❖ **Bank Guarantee limitations:** Bank guarantee issued by the bank to TBZ is based on the drawing power enjoyed by TBZ.
- ❖ **Contract Period:** If TBZ is unable to sell the gold on lease within 180 days, then they will have to convert the balance unutilized gold to purchase.