Date: 4th May, 2017

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 25th April, 2017 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 Thursday, 4th May, 2017 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

TRIBHOVANDAS BHIMJI ZAVERI LTD. MUMBAI

Encl: as above

tbz

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
11th Floor, West Wing, Tulsiani Chambers, Free Press Journal Road, Nariman Point, Mumbai - 400 021. Tel.: 022 30735000, Fax: [illegible]
www.tbztheoriginal.com

INVESTOR PRESENTATION

Q4 & FY17
RESULTS UPDATE

May 2017

tbz®

The original since 1864

TRIBHOVANDAS BHIMJI ZAVERI

SHRIKANT ZAVERI GROUP

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DISCUSSION SUMMARY

- **Q4 & FY17 Results Update**
- About Us
- Operational Summary
- Annexure

KEY HIGHLIGHTS

Revenues

- Q4 FY17 Revenues grew by 26% YoY to ₹ 3,842 Mn
- FY17 Revenues grew by 3% YoY to ₹ 17,002 Mn

EBITDA

- Q4 FY17 EBITDA turned positive to ₹ 147 Mn
- FY17 EBITDA grew by 82% YoY to ₹ 722 Mn

PAT

- Q4 FY17 PAT grew by 133% YoY to ₹ 56 Mn
- FY17 PAT grew by 180% YoY to ₹ 185 Mn

Debt

- Debt reduced by 16% from ₹ 6,505 Mn as on Mar-16 to ₹ 5,476 Mn as on Mar-17
- Net Debt / Equity improved from 1.4x as on Mar-16 to 1.1x as on Mar-17

Finance Cost

- Q4 FY17 Finance Cost declined by 20% YoY to ₹ 102 Mn
- FY17 Finance Cost declined by 10% YoY to ₹ 502 Mn

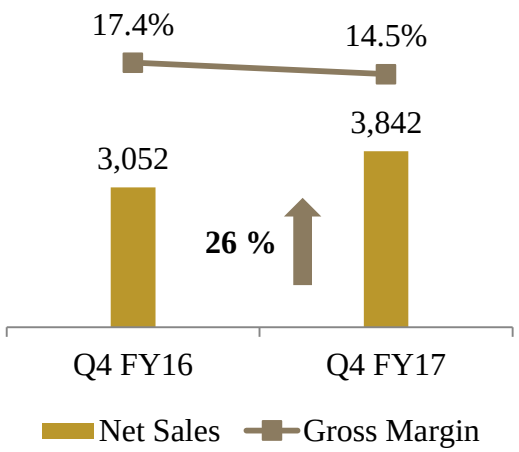
Inventory

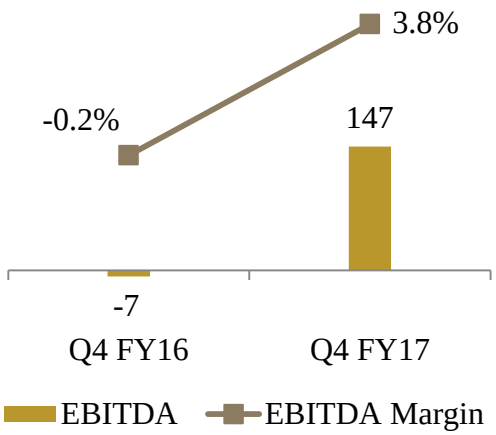
- Inventory rationalised from ₹ 11,256 Mn as on Mar-16 to ₹ 10,272 Mn as on Mar-17

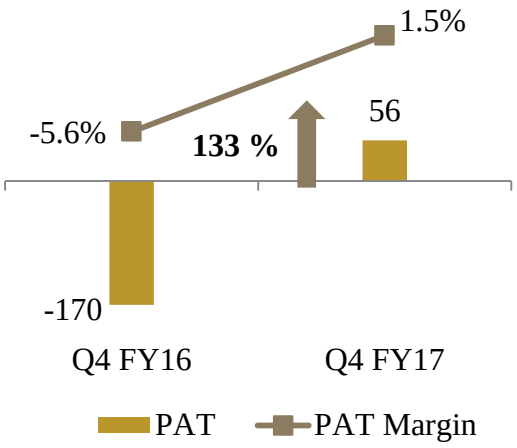
Q4 FY17 RESULTS UPDATE

In Rs Mn

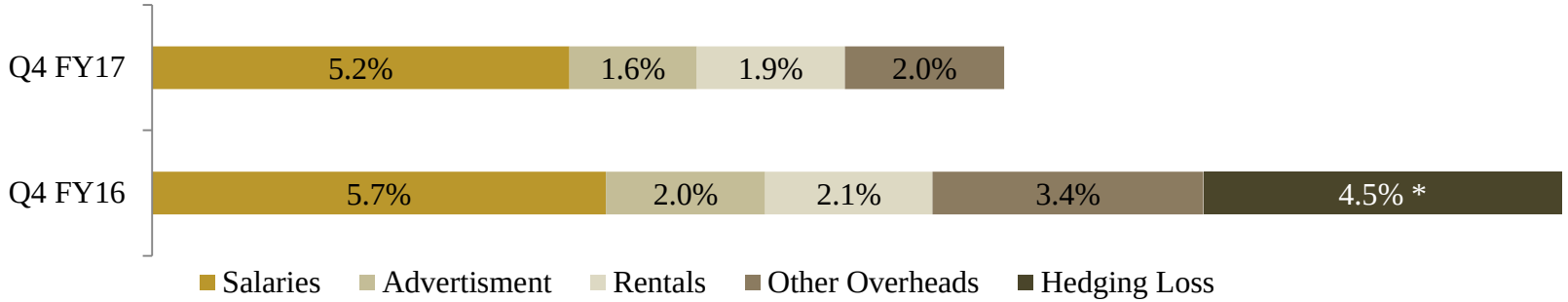
PROFIT ANALYSIS







OPERATING PARAMETERS (%)

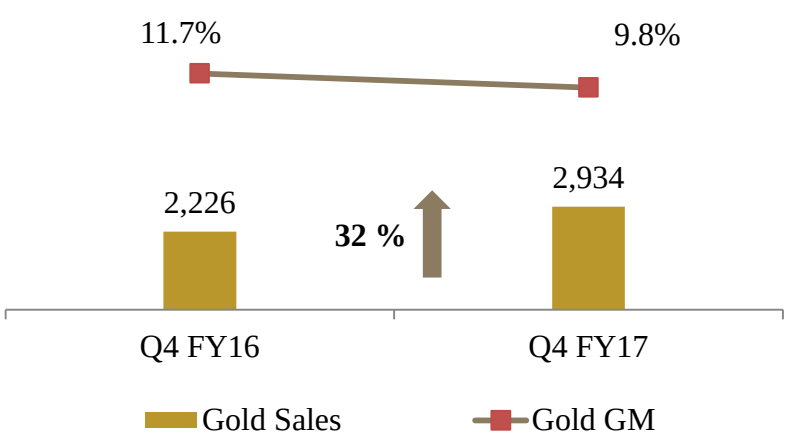


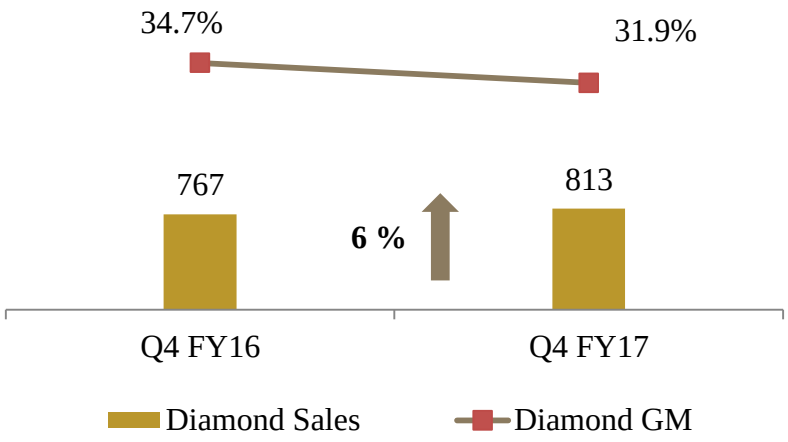
* During Q4 FY16 there was a hedging loss of ₹ 136 mn

Q4 FY17 RESULTS UPDATE

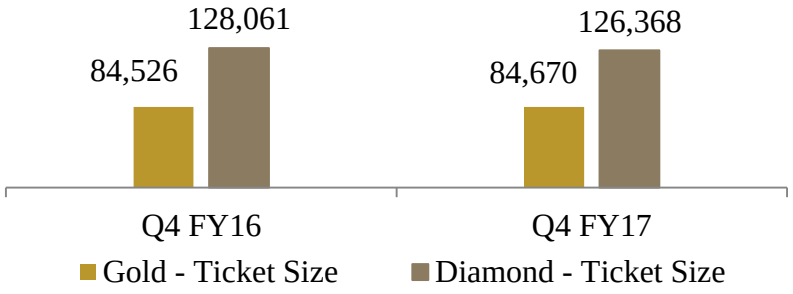
In Rs Mn

SEGMENT ANALYSIS





AVERAGE TICKET PRICE



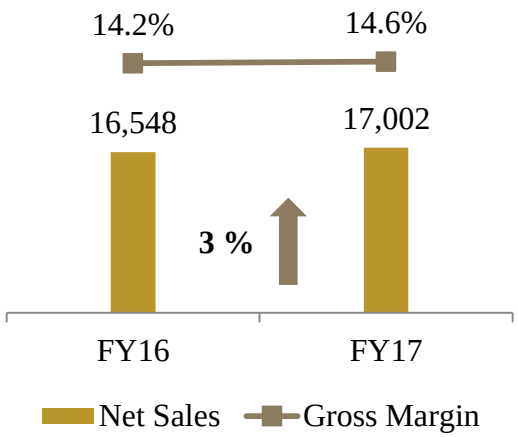
Q4 FY17	Gold	Diamond
% of Sales – Q4 FY17	76.4%	21.2%
% of Sales – Q4 FY16	73.0%	25.1%
SS Sales Growth %	19.5%	-0.7%
SS Total Sales Growth %	15.2%	

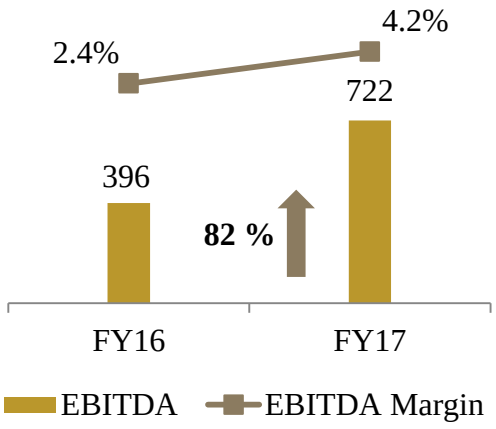
SS: Same store sales value growth

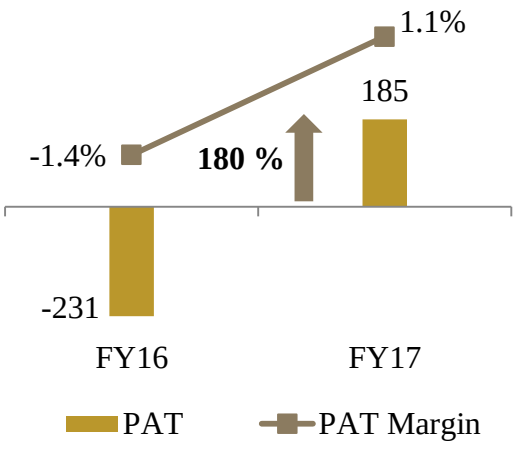
FY17 RESULTS UPDATE

In Rs Mn

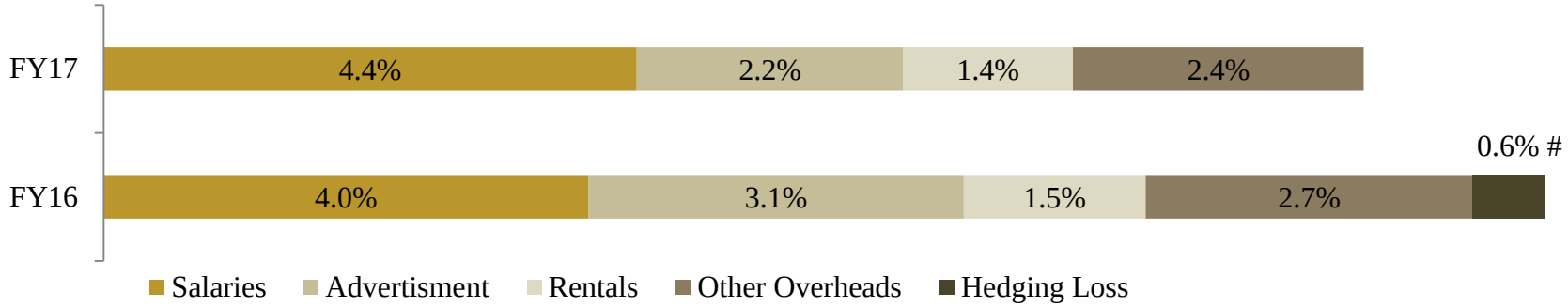
PROFIT ANALYSIS







OPERATING PARAMETERS (%)

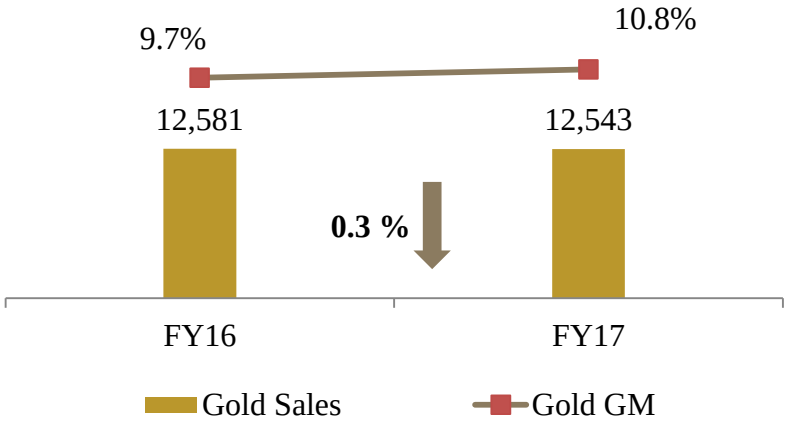


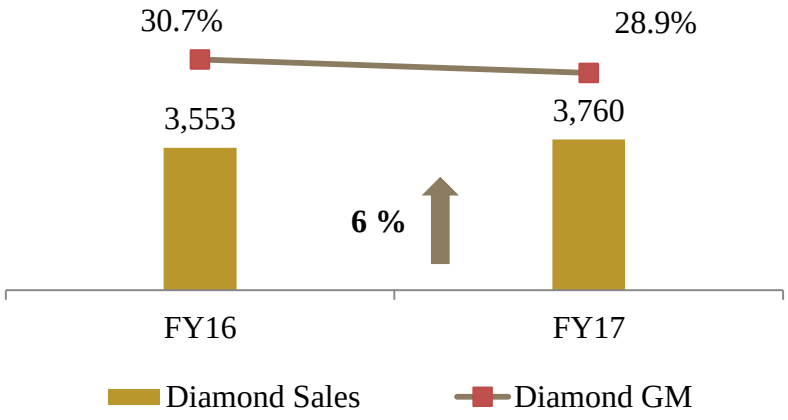
During FY16 there was a hedging loss of ₹ 95 mn

FY17 RESULTS UPDATE

In Rs Mn

SEGMENT ANALYSIS





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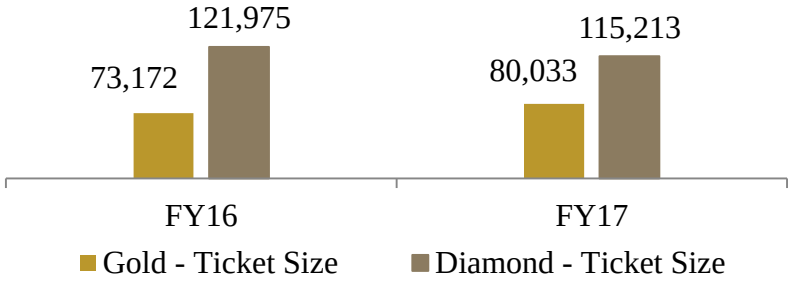


FY17	Gold	Diamond
% of Sales – FY17	73.8%	22.1%
% of Sales – FY16	76.0%	21.5%
SS Sales Growth %	-5.4%	1.4%
SS Total Sales Growth %	-2.1% #	

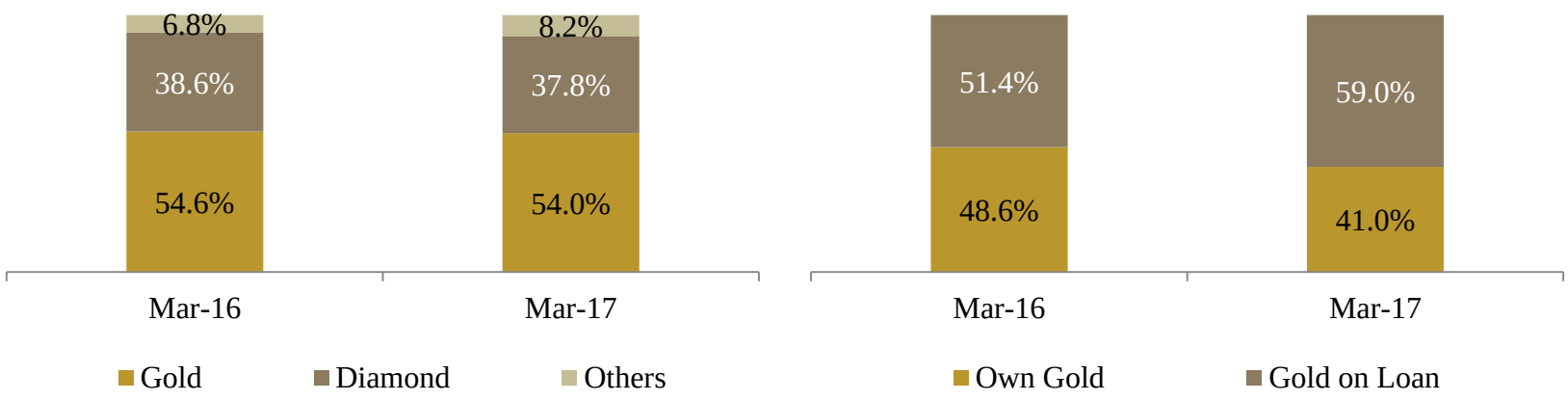
SS: Same store sales value growth

NOTE:

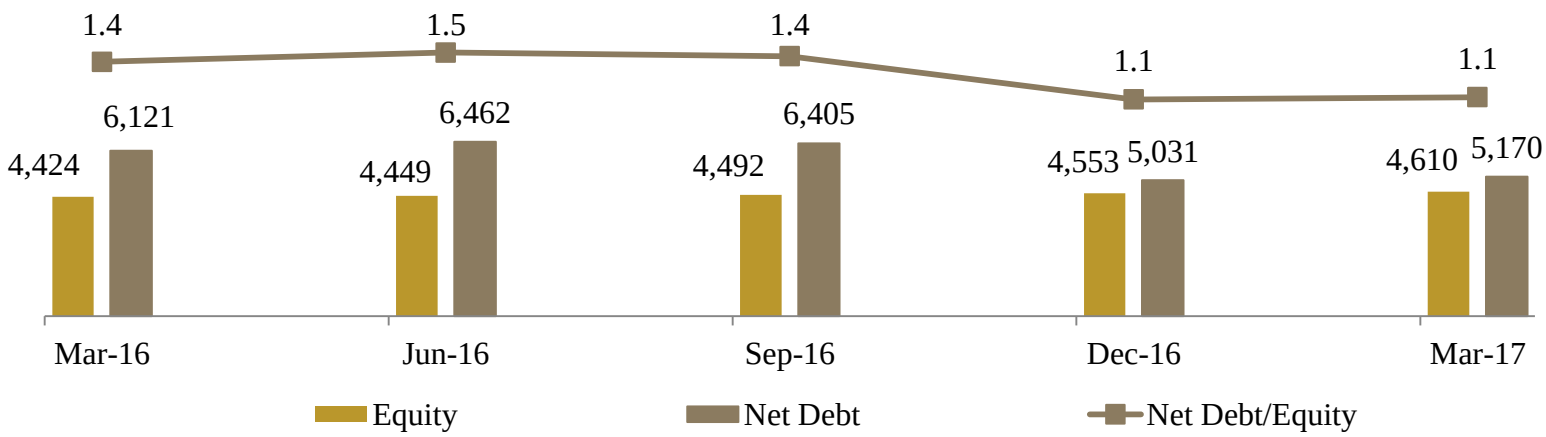
Same store sales growth however displayed an improving trend –
Q1 FY17: -23.9%, Q2 FY17: -5.5%, Q3 FY17: 10.0%, Q4 FY17: 15.2%

BALANCE SHEET UPDATE

INVENTORY BREAKUP (%)



LEVERAGE (RS MN)



KEY RESULT TAKEAWAYS

REVENUES:

- Q4 FY17 revenues increased by 26% YoY –
  - In the aftermath of the withdrawal of high denomination banking notes in October 2016, the jewellery sales displayed gradual growth in Q4 FY17.
  - Jewellery sales were driven by an extended wedding season and higher redemptions under Kalpavruksha scheme.

MARGINS:

- Q4 FY17 gross margin declined to 14.5% compared to 17.4% in Q4 FY16. This was primarily on account of tactical discounts given to customers to drive sales in the backdrop of demonetisation.
- Q4 FY17 EBITDA margin improved to 3.8% compared to -0.2% in Q4 FY16. Operating overheads were under strict control.

BALANCE SHEET:

- Inventory was rationalised from ₹ 11,256 Mn as on Mar-16 to ₹ 10,272 Mn as on Mar-17, translating into 9% reduction in value terms and 16% reduction in volume terms
- Gold on loan accounted for 59.0% share of gold inventory as on 31st March 2017.
- Total Debt was reduced by 16% from ₹ 6,505 Mn as on Mar-16 to ₹ 5,476 Mn as on Mar-17. Net Debt / Equity improved from 1.4x as on Mar-16 to 1.1x as on Mar-17.
- Finance Cost declined by 20% YoY to ₹ 102 Mn in Q4 FY17. The average cost of debt was 7.6% during Q4 FY17.
- Advances under Kalpavruksha Scheme were ₹ 526 mn as on 31st March 2017.

RESULTS UPDATE – MARCH 2017

PARTICULARS (IN MN) (QUARTERLY UNAUDITED)	Q4 FY17 (₹)	Q4 FY16 (₹)	YoY %	FY17 (₹)	FY16 (₹)	YoY %
Net Revenues	**3,842**	**3,052**	**25.9%**	**17,002**	**16,548**	**2.7%**
COGS	3,284	2,521	*30.3%*	14,519	14,195	2.3%
Gross Profit	**558**	**531**	**5.0%**	**2,484**	**2,353**	**5.6%**
Gross Margin (%)	***14.5%***	***17.4%***	***-288 bps***	***14.6%***	***14.2%***	***39 bps***
Personnel Expenses	201	173	16.4%	743	660	12.7%
Other Expenses	210	365	-42.6%	1,019	1,298	-21.5%
EBITDA	**147**	**-7**	2119.5%	**722**	**396**	**82.4%**
EBITDA Margin (%)	***3.8%***	***-0.2%***	***406 bps***	***4.2%***	***2.4%***	***185 bps***
Depreciation	20	39	-49.4%	87	101	-13.7%
Other Income	13	12	0.6%	34	46	-27.3%
Interest Expenses	102	128	-20.2%	502	557	-9.9%
Profit Before Tax	**37**	**-162**	123.1%	**166**	**-216**	177.0%
Tax	-19	8	-	-19	15	-
PAT	**56**	**-170**	133.2%	**185**	**-231**	180.1%
Profit Margin (%)	***1.5%***	***-5.6%***	***704 bps***	***1.1%***	***-1.4%***	***249 bps***

NOTE:

* During the month of March and April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry in protest against imposition of 1% excise duty. The business operations took some time to stabilize, however this impacted the overall revenues and profits for the company during FY16 & FY17.

Further, the withdrawal of high denomination banking notes impacted the jewellery sales in November 2016, though the situation gradually improved over Q4 FY17.

RESULTS UPDATE – MARCH 2017

PARTICULARS (IN MN) (QUARTERLY UNAUDITED)	MAR-17 (₹)	DEC-16 (₹)	SEP-16 (₹)	JUN-16 (₹)	MAR-16 (₹)
Shareholders Funds	4,610	4,553	4,492	4,449	4,424
Loan Funds	5,476	5,341	6,731	6,704	6,505
Other Long Term Liabilities	91	98	102	95	90
Sources of Funds	**10,176**	**9,992**	**11,326**	**11,249**	**11,019**
Net Block	1,011	1,009	1,027	1,042	1,053
Other Long Term Assets	243	170	184	174	195
Inventory	10,272	10,345	11,810	11,631	11,256
Debtors	22	50	35	69	7
Cash and Bank Balance	306	310	326	242	383
Other Current Assets	101	129	140	166	85
Current Liabilities	1,778	2,020	2,197	2,076	1,960
Net Current Assets	8,923	8,813	10,115	10,032	9,799
Application of Funds	**10,176**	**9,992**	**11,326**	**11,249**	**11,019**

DISCUSSION SUMMARY

- Q4 & FY17 Results Update
- **About Us**
- Operational Summary
- Annexure

ABOUT US: WHY IS TBZ DIFFERENT ?

tbz
The original since 1864
TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

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

- Healthy sales productivity
- High footfalls conversion - 80%
- High ticket size - Gold - ₹ 80 k, Diamond - ₹ 115 k

Scalability & Reach

- 33 stores (~1,08,948 sq. ft.)
- Presence - 26 cities, 11 states

Expansion Plan -

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

TBZ

SUSTAINABLE COMPETITVE ADVANTAGE

Specialty Wedding Jeweller

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

Design Exclusivity

- 43 designers (incl. 21 CAD)
- 8 - 10 new jewellery lines/year
- In-house diamond jewellery production
- Customer loyalty
- Premium pricing

ABOUT US: KEY MILESTONES

STRONG LEGACY OF MORE THAN 150 YEARS BUILT ON TRUST

1864 – Flagship store opened in Zaveri Bazaar, Mumbai

1938 – First to offer buyback guarantee

1995 – First to launch light weight jewellery

2001 – Mr Shrikant Zaveri took over the business

2004 – Introduced 100% pre-hallmarked jewellery

2008 – Retail footprint crosses 42k sq ft across 13 stores

2009 – Turnover crossed ₹ 5,000 mn in FY09

2011 – Diamond facility expansion - ~6k to ~24k sq ft

2011 – Implementation of Oracle ERP Suite

2012 – Listed on BSE & NSE with IPO of ₹ 2,000 mn

2013 – Retail footprint crosses 84k sq ft across 20 cities

2013 – Sales crossed ₹ 16,000 mn, PAT of ₹ 850 mn

2014 – Recommended special dividend of 7.5% on the special occasion of 150th year of the company

2015 – First Franchise Store opened at Dhanbad, Jharkhand in Nov-15

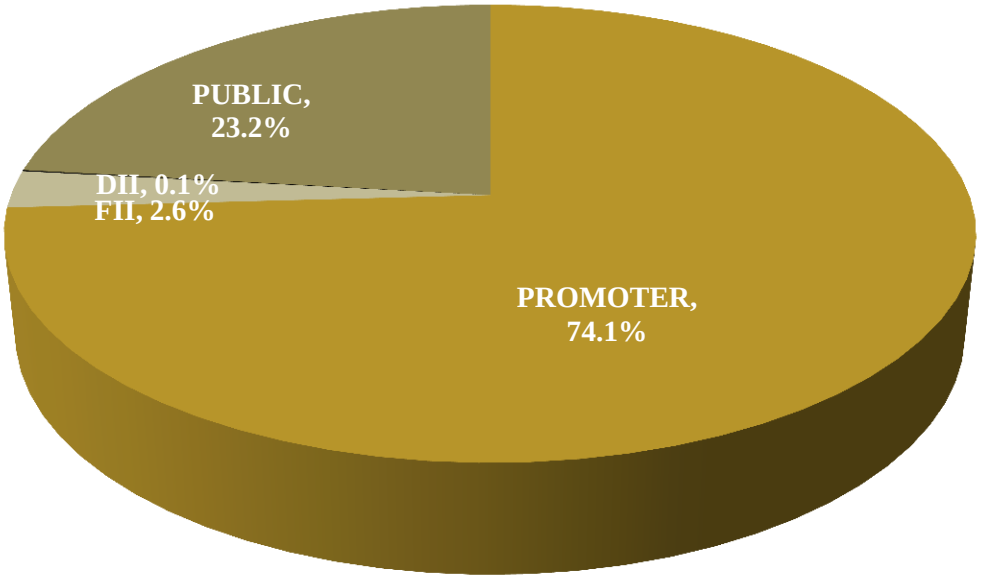
2016 – Second Franchise Store opened at Patna, Bihar in Aug-16

2017 – Third Franchise Store opened in Ranchi, Jharkhand in Mar-17

2017 – Fourth Franchise Store opened in Jamnagar, Gujarat in Apr-17

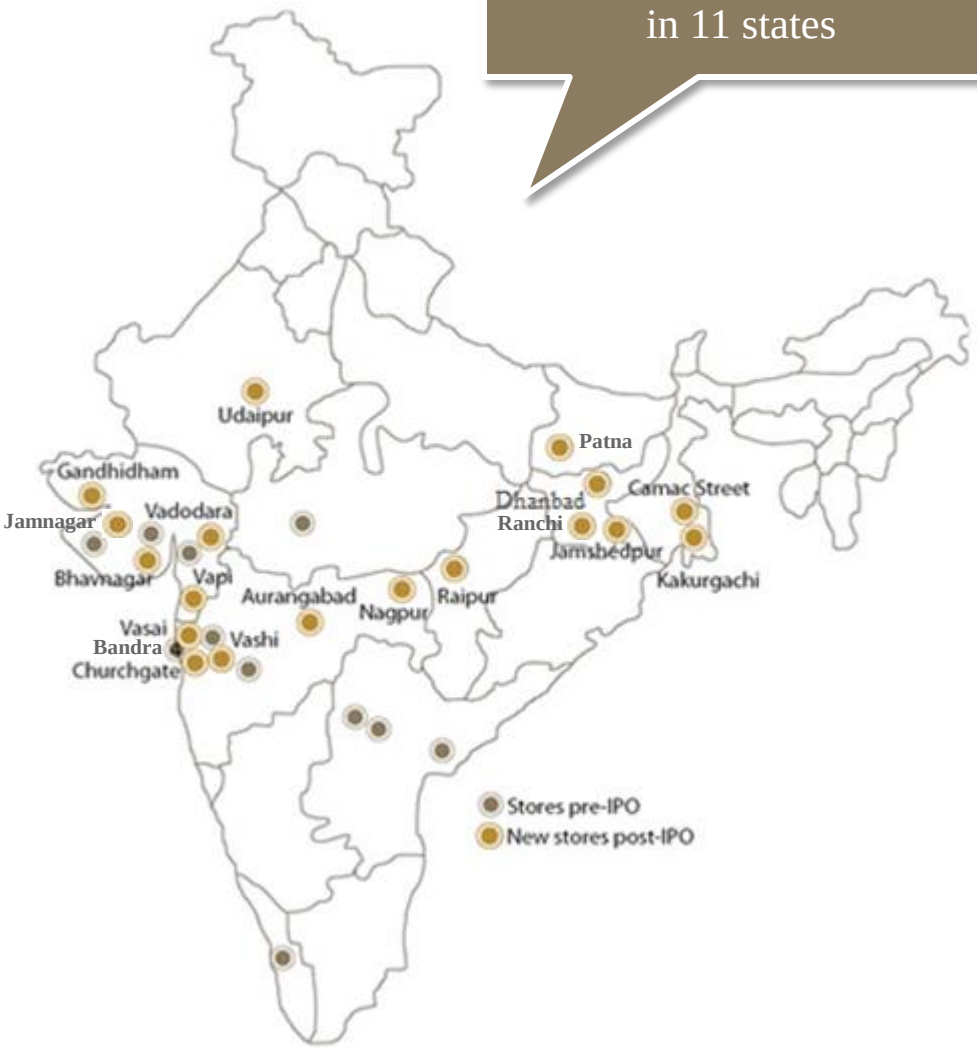
ABOUT US: SHAREHOLDING STRUCTURE

SHAREHOLDING PATTERN – MAR 2017



ABOUT US: RETAIL PRESENCE

Present across 26 cities in 11 states

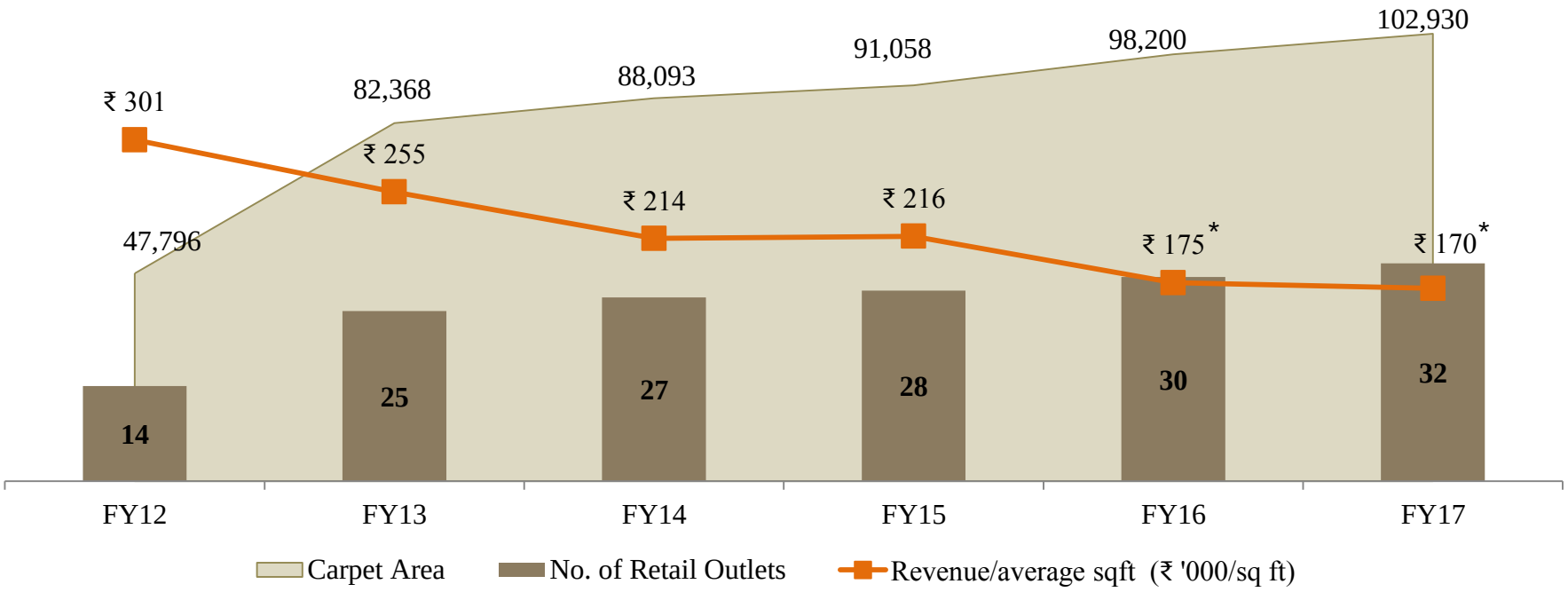


PAN-INDIA PRESENCE WITH 33 STORES WITH A RETAIL SPACE OF ~1,08,948 SQ. FT. SPREAD ACROSS 26 CITIES IN 11 STATES

NUMBER OF STORES	TILL DATE
Large Format	28
Small Format	5
Total Stores	33
Total Area	**~1,08,948**

ABOUT US: RETAIL FOOTPRINT EXPANSION

SALES PRODUCTIVITY (REVENUE / YEAR / SQ FT)



NOTE:

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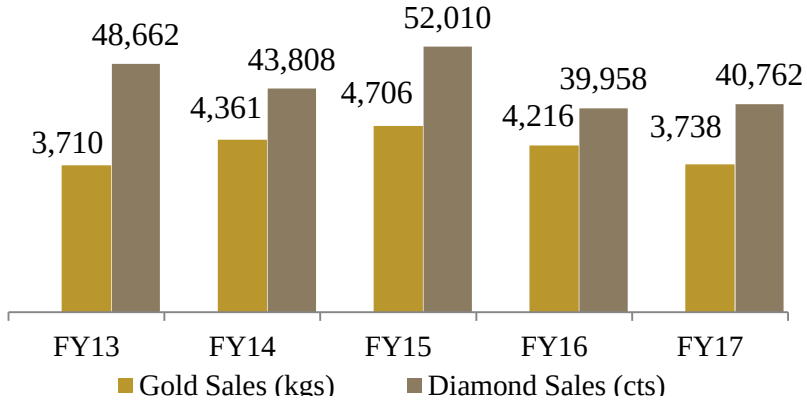
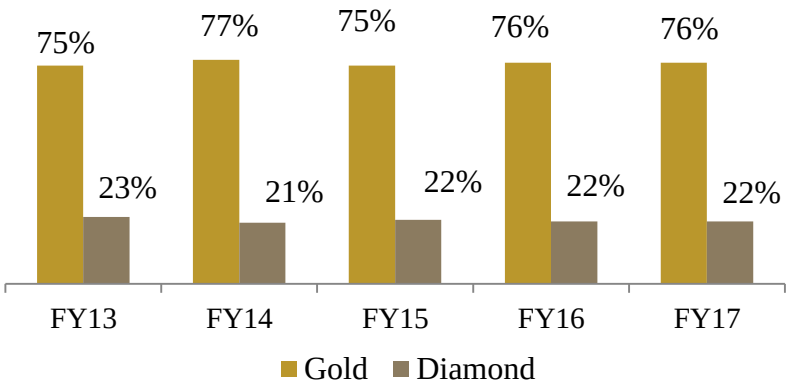
OPERATIONAL SUMMARY

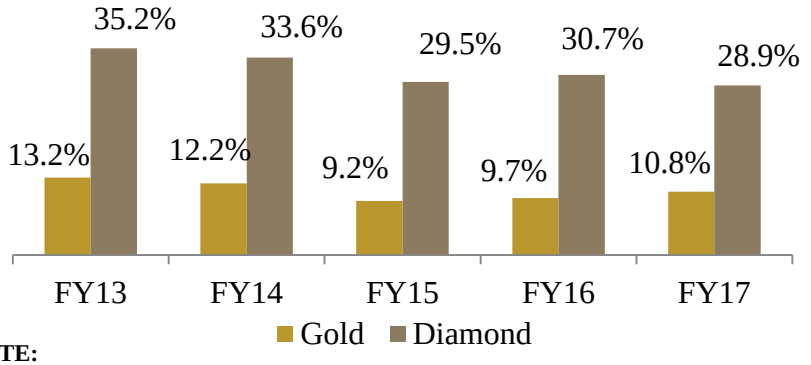
GOLD & DIAMOND VOLUMES *



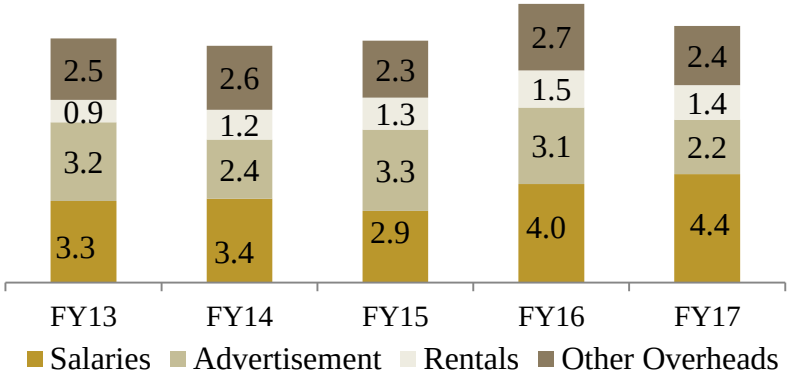
GOLD & DIAMOND SALES MIX (%)



GOLD & DIAMOND MARGINS (%)



OPERATIONAL EFFICIENCY (%)



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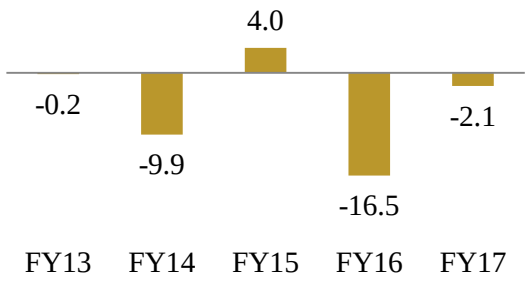
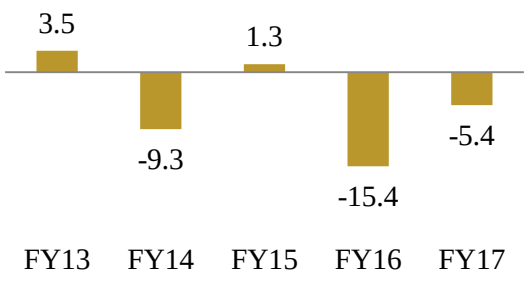
OPERATIONAL SUMMARY

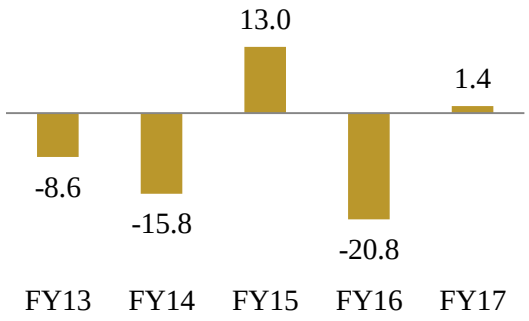
SSSG - TOTAL (%) *



SSSG - GOLD (%) *

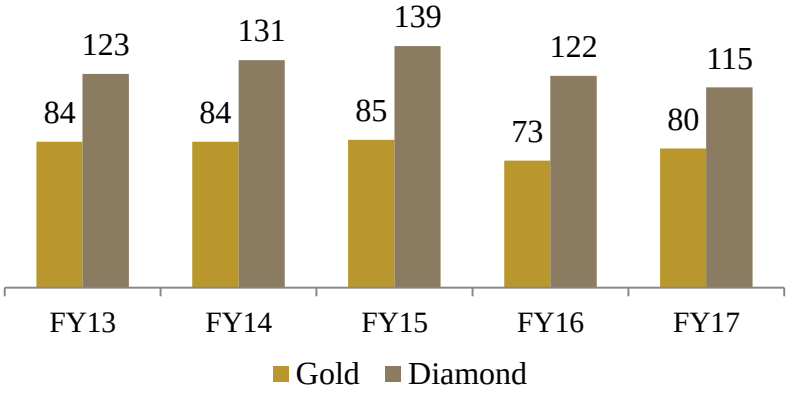


SSSG - DIAMOND (%) *



SSSG: Same store sales value growth

AVERAGE TICKET SIZE (RS '000)



NOTE:

* During the month of March and April 2016, the company's business was impacted due to continuing country wide agitations by the Gems & Jewellery Industry in protest against imposition of 1% excise duty. The business operations took some time to stabilize, however this impacted the overall revenues and profits for the company during FY16 & FY17.

Further, the withdrawal of high denomination banking notes impacted the jewellery sales in November 2016, though the situation gradually improved over Q4 FY17.

THANKYOU

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ANNEXURE

AWARDS & RECOGNITION

- **"BEST RING DESIGN OVER Rs. 2,50,000"**
  JJS-IJ Jewellers Choice Design Awards - 2016
- **"TV CAMPAIGN OF THE YEAR"**
  12th Gemfields Retail Jeweller India Awards - 2016
- **"DIAMOND JEWELLERY OF THE YEAR"**
  12th Gemfields Retail Jeweller India Awards - 2016
- **"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

BUSINESS MODEL: PRODUCT

tbz®
The original since 1864
TRIBHOVANDAS BHIMJI ZAVERI
SHRIKANT ZAVERI GROUP

GOLD (75%)
Gross Margins – 11%
Stock Turns – 2.5x - 3x

- WEDDING (65%)
- FASHION (35%)

DIAMONDS (25%)
Gross Margins – 35%
Stock Turns – 1x

- 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

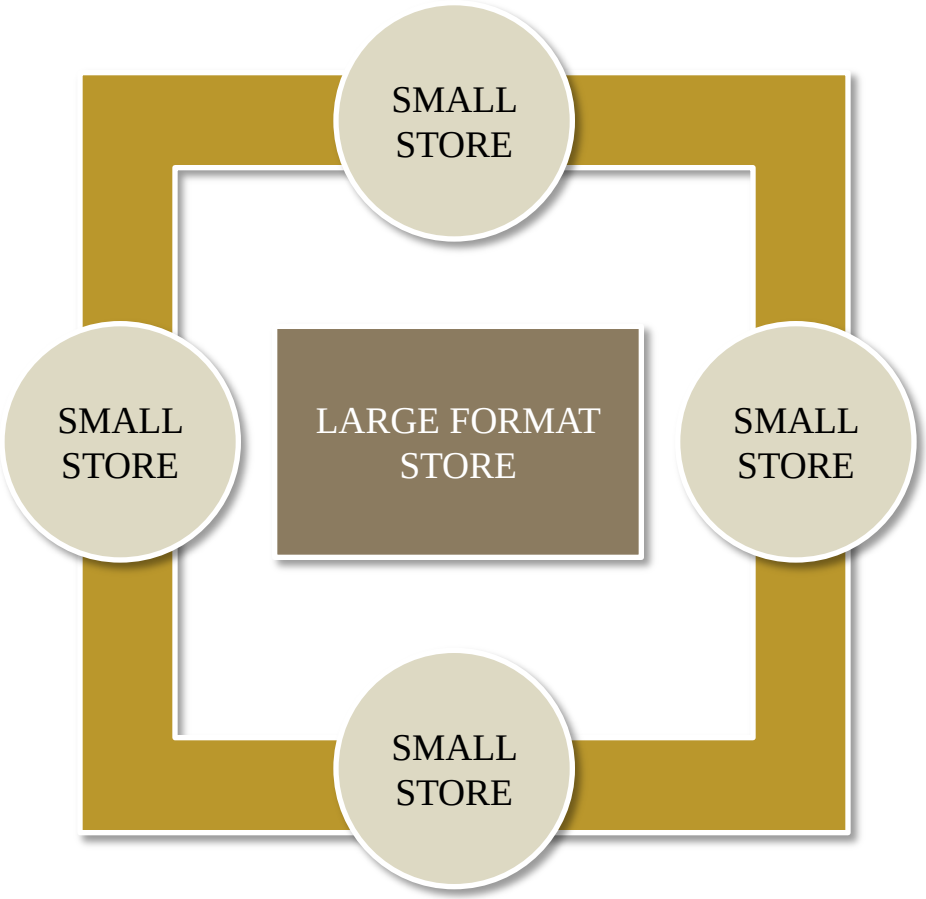
MANUFACTURING

- 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 - 2,000 sq ft
- Across the city
- Smaller range
- Lower price points (up to ₹ 500k)
- Inventory - ₹ 93 mn
  Gold : Diamond - 70 : 30

LARGE STORES

- > 2,000 sq ft
- 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 2,000	1,000 – 2,000
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 ~1,08,948 sq. ft. at present to around 150,000 sq. ft. over near term.
- 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	33	
Retail Sq ft	~48,000	~108,948	**~150,000**
Number of Cities	10	26	

GOLD METAL LOAN: EFFICENT 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 LIMITATIONS

- **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.