

June 8, 2010

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
TBZ NIRMAL ZAVERI PVT LTD.****Ratings Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	24.98	'CARE BBB' (Triple B)	Reaffirmed

Rating Rationale

The rating continues to derive strength from the vast experience of TBZ's promoters in the high-end jewellery business, niche customer segment which was relatively unaffected by recession, healthy financial risk profile, prime locations of showrooms, strong brand name and satisfactory performance during FY09.

The rating continues to be constrained by moderate scale of operations, elongated working capital cycle and intense competition in the jewellery industry on account of its fragmented nature.

The company's ability to achieve the envisaged growth and maintain healthy profitability in the external environment amidst competition from other luxury products remains the key rating sensitivity.

Company Profile

Formed as a partnership firm in 2000, TBZ Nirmal Zaveri Private Limited (TBZ) is engaged in retailing of lifestyle jewellery and luxury goods

The company is involved in offering high-end jewellery to elite group of customers. It operates three retail outlets in Mumbai and Bangalore. Further, with the intention to increase its revenue and business operations, the company expects to open its 4th showroom in Mumbai in 2010. The company also exports its products to Sultanate of Oman, U.A.E and Hong Kong. Majority of the exports sales of the company are to couple of customers with whom the company is dealing since many years. Exports contributed around 25% of the total sales in FY09.

²Complete definition of the ratings assigned are available at www.careratings.com

On a total income of Rs.50.17 crore, the company earned a PAT of Rs.1.47 crore in FY09.

In FY10, the company has achieved net sales of Rs.70.03 crore with a PAT of Rs.1.51 crore upto December 15, 2009. PBILDT and PAT margins marginally deteriorated to 9.81% and 2.24%, respectively.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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