

Press Release

Tribhovandas Bhimji Zaveri Limited

September 22, 2020

Rating Downgraded, Withdrawn & Indicative



Total Bank Facilities Rated*	Rs.40.00 Cr.#
Long Term Rating	ACUITE BBB (Downgraded; Withdrawn; Issuer not co-operating*)

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs.40.00 crore bank facilities of Tribhovandas Bhimji Zaveri Limited (TBZ). This rating is now an indicative rating and is based on the best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Reason for Downgrade:

The revision in the rating is on account subdued operating performance in Q1FY2021 and expected subdued performance to continue in Q2FY2021 as well. The subdued operating performance is on account of the outbreak of COVID-19 followed by lockdown across the nation, restricting the movement of goods and people. Further, the restoration of gems and jewellery demand will be highly dependent on the revival of economy and consumer confidence on discretionary spending patterns.

Tribhovandas Bhimji Zaveri Limited (TBZ), promoted by Mr. Shrikant Zaveri, was set up in 1864. The company is one of India's oldest jewellery houses and was reconstituted as a public limited company from a private limited company on December 03, 2010. TBZ expanded its operations from being a single showroom at Zaveri Bazaar in Mumbai to Pan-India presence through its network of 41 retail showrooms across 14 states. TBZ is listed on BSE and NSE and its promoters hold ~74 per cent stake in the company, with the rest being held by public and other shareholders.

Non-cooperation by the issuer/borrower: Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	1810.05	1763.83
PAT	Rs. Cr.	21.42	15.56
PAT Margin	(%)	1.18	0.88
Total Debt/Tangible Net Worth	Times	1.33	1.26
PBDIT/Interest	Times	1.97	1.63

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
23-July-2020	Cash Credit	Long Term	40.00	ACUITE A- / Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE BBB (Downgraded; Withdrawn; Issuer not co-operating*)

*The issuer did not co-operate; based on best available information.

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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