


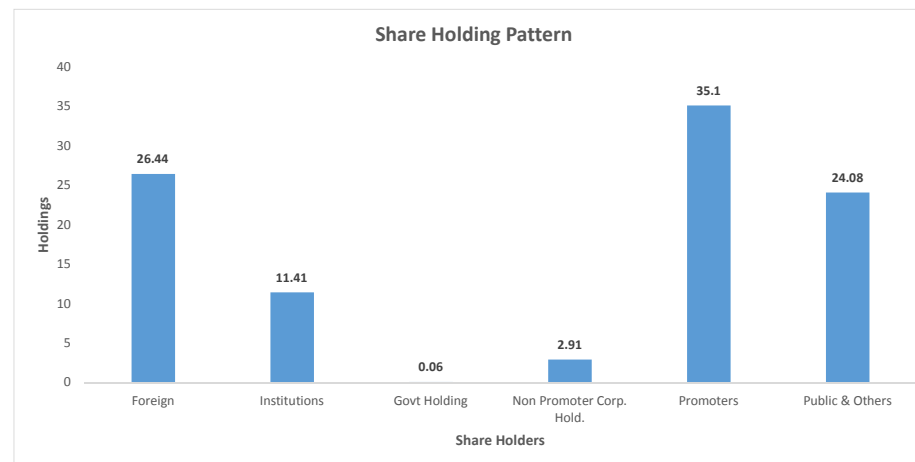
<h2 style="text-align: center;">Research Report</h2>	 <p>Spearhead FinServe PRIVATE LIMITED A subsidiary of Spearhead Services Pvt Ltd</p>																
<h2 style="text-align: center;">Tata Global Beverages</h2>	<table> <tr> <td>Recommendation</td><td>Accumulate</td></tr> <tr> <td>Current Market Price</td><td>156</td></tr> <tr> <td>Target</td><td>200</td></tr> <tr> <td>Accumulation Price Band</td><td>150 - 160</td></tr> <tr> <td>Time Frame</td><td>6 months</td></tr> <tr> <td>Derivative Segment</td><td>Yes</td></tr> </table>	Recommendation	Accumulate	Current Market Price	156	Target	200	Accumulation Price Band	150 - 160	Time Frame	6 months	Derivative Segment	Yes				
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<h3 style="text-align: center;">Industry : Consumer Goods</h3>	<h4>Quick Glance</h4> <table> <tr> <td>Share Capital (Rs Cr)</td><td>61.84</td></tr> <tr> <td>Market Cap (Rs Cr)</td><td>9,708.00</td></tr> <tr> <td>Enterprise Value (Rs Cr)</td><td>10,033.00</td></tr> <tr> <td>Face Value (in Rs)</td><td>1.00</td></tr> <tr> <td>52 Week High/ Low (in Rs)</td><td>177.15/135.40</td></tr> </table>	Share Capital (Rs Cr)	61.84	Market Cap (Rs Cr)	9,708.00	Enterprise Value (Rs Cr)	10,033.00	Face Value (in Rs)	1.00	52 Week High/ Low (in Rs)	177.15/135.40						
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<h4>Company Overview</h4> <ul style="list-style-type: none"> Incorporated in the year 1962 as one of the company Tata group companies, Tata Global Beverages Ltd is the second-largest tea company in the world, operating in over 40 countries such as United States, Canada, Australia, Poland and the Czech Republic. Operating with 5 major brands such as Tata Tea, Tetley, Kannan Devan, Chakra Gold and Gemini, the company is involves cultivation and manufacture of black tea and instant tea, tea buying/blending and sale in bulk or value-added form; coffee and other produce, involves in growing of coffee, pepper and other plantation crops. The Company also owns a 100% export-oriented unit (KOSHER & HACCP certified) manufacturing Instant Tea in Munnar, Kerala, which is the largest such facility outside the United States 	<h4>Financials</h4> <table> <tr> <td>EPS (Rs)</td><td>6.20</td></tr> <tr> <td>Book Value (Rs)</td><td>93.90</td></tr> <tr> <td>P/E</td><td>25.33</td></tr> <tr> <td>P/BV</td><td>1.90</td></tr> <tr> <td>ROE</td><td>17.52</td></tr> <tr> <td>ROCE (%)</td><td>14.96</td></tr> <tr> <td>Dividend Yield (%)</td><td>1.43</td></tr> <tr> <td>Debt - Equity</td><td>0.20</td></tr> </table>	EPS (Rs)	6.20	Book Value (Rs)	93.90	P/E	25.33	P/BV	1.90	ROE	17.52	ROCE (%)	14.96	Dividend Yield (%)	1.43	Debt - Equity	0.20
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<h4>Industry Overview</h4> <ul style="list-style-type: none"> Coffee in India is grown in one of the world's rainiest inhabited region that receives 2,500 to 4,000 mm rainfall spread over 100 day. India is the seventh largest coffee producer in India and the third largest in Asia, with India's coffee exports at 313,025 metric tonnes, to target nations such as Italy, Germany, Belgium, Turkey and the Russian Federations generating a revenue of US\$ 793.22 million for the year 2013-14. Indian Coffee consumption is seen growing at 6% per annum, with the country's demand has seen growth at 10.5% per annum driven by increasing per capita income and urbanized lifestyle among the young generation. With changing lifestyles and growing urbanization, coffee specialist retailers and café chains, such as Barista and Starbucks, are likely to expand their presence in tier two and tier three cities as well as Tier one. The growing café culture in India will drive on-trade coffee sales and is also likely to influence coffee consumption at home in tier two and tier three cities 	<h4>Highlights</h4> <table> <tr> <td>Debt (Rs Cr)</td><td>456.51</td></tr> <tr> <td>Reserves (Rs Crs)</td><td>2,511.41</td></tr> <tr> <td>FII Holdings (%)</td><td>23.93</td></tr> <tr> <td>MF Holdings (%)</td><td>2.16</td></tr> <tr> <td>Free Float Market Capitalization (Rs Cr)</td><td>6,290.62</td></tr> <tr> <td>Beta</td><td>1.07</td></tr> <tr> <td>Avg Volume Per day (no. of shares)</td><td>1,670,273</td></tr> <tr> <td>Avg Volume Per Month (no. of shares)</td><td>35,075,733</td></tr> </table>	Debt (Rs Cr)	456.51	Reserves (Rs Crs)	2,511.41	FII Holdings (%)	23.93	MF Holdings (%)	2.16	Free Float Market Capitalization (Rs Cr)	6,290.62	Beta	1.07	Avg Volume Per day (no. of shares)	1,670,273	Avg Volume Per Month (no. of shares)	35,075,733
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<h4>Key Highlights</h4> <ul style="list-style-type: none"> Plans to give a thrust to its water business by planing to increase the revenue contribution from this business to 10%, which currently stands 1% of the total revenue. TGBL has been acquiring leading brands across the globe, Joekels in South Africa (third largest player), Good Earth in US (21% volume share), Jemca in Czech Republic (which is the market leader) and Vitax in Poland (16% share of fruit tea market). 																	
<h4>Key Risks</h4> <ul style="list-style-type: none"> Any unusual spike in prices with an inability to pass on the price increase could be a significant risk to margins Black tea is the biggest sub-category within the tea business in the UK and Canada. It has been on a declining trend 																	

Financial Highlights

Income Statement (Annual)					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Net Sales	2,682.95	2,326.09	2,035.29	1,811.11	1,697.92
EBITDA	641.04	369.35	408.99	283.16	563.94
EBITDA Margin	17.48	15.88	16.02	15.63	19.21
Depreciation	16.35	16.39	12.04	12.36	12.32
Interest	39.20	32.01	27.04	40.57	56.34
Other Income	412.89	166.24	231.31	157.37	397.92
PBT	585.49	320.95	369.91	230.23	495.28
APAT	446.97	258.65	302.68	180.59	391.47
PAT Margin (%)	11.78	11.12	11.64	9.97	12.16
Earnings Per Share	7.10	3.85	4.56	2.63	60.16

Balance Sheet					
Particulars (Rs Cr)	2014	2013	2012	2011	2010
Equity Share Capital	61.84	61.84	61.84	61.84	61.84
Reserves and Surplus	2,511.41	2,256.45	2,148.27	1,994.61	2,016.00
Tangible Net Worth	603.89	572.85	477.53	619.67	499.66
Deferred Tax Liability :	18.67	18.29	17.38	17.16	19.22
Long Term Debt	325.00	325.03	325.03	325.00	499.66
ShortTerm Debt	131.51	183.57	41.82	180.47	-
Total Debt	456.51	508.60	366.85	505.47	499.66
Current Liabilities	303.80	338.11	260.83	244.14	299.92
Total Provisions	199.12	195.24	199.62	184.98	189.04
Total Liabilities	3,191.12	2,906.86	2,705.13	2,676.12	2,577.50
Gross Block	283.79	269.55	255.69	236.81	210.89
Net Fixed Assets	152.89	146.68	140.09	124.44	105.79
Investments	2,405.66	2,225.14	2,205.70	2,290.91	2,309.05
Current Assets	456.65	465.99	270.94	206.78	156.27
Deferred Tax Asset :	68.22	41.49	35.09	25.96	20.04
Receivables	114.87	109.11	90.64	101.90	116.39
Inventories	635.92	651.56	453.47	429.91	378.14
Cash	7.88	50.52	17.47	6.87	5.36
Total Assets	3,191.12	2,906.86	2,705.13	2,676.12	2,577.50

Income Statement (Quarterly)								
Particulars (Rs Cr)	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Sales	605.53	703.20	634.52	666.65	558.36	617.21	539.34	562.93
EBITDA	135.85	132.90	249.64	122.64	61.32	114.24	109.21	84.58
EBITDA Margin	22.43	18.90	39.34	18.40	10.98	18.51	20.25	15.02
Depreciation	3.97	4.19	4.15	4.04	5.67	3.70	3.53	3.49
Interest	9.40	15.71	9.10	4.99	10.70	12.87	5.43	3.01
Other Income	73.30	50.31	205.87	38.28	6.48	58.07	78.08	6.76
PBT	122.48	113.00	236.39	113.61	44.95	97.67	100.25	78.08
APAT	104.42	93.23	58.97	65.98	41.52	79.42	61.33	57.15
PAT Margin (%)	16.74	12.51	27.28	12.69	6.63	11.53	17.50	9.96
Earnings Per Share	1.64	1.42	2.80	1.37	0.60	1.15	1.53	0.91

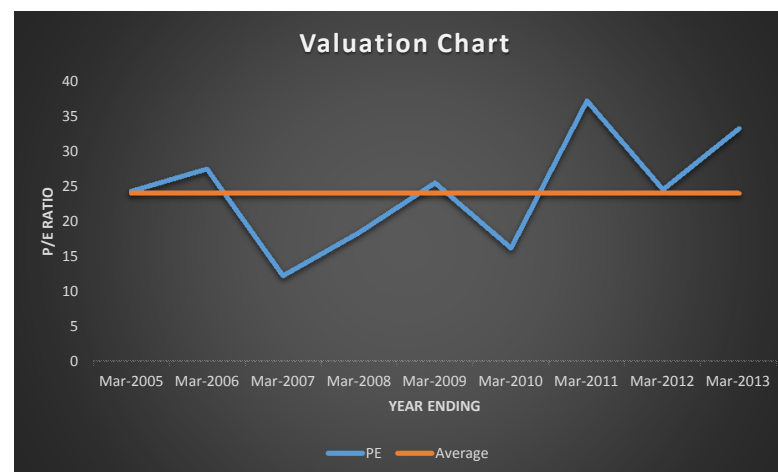
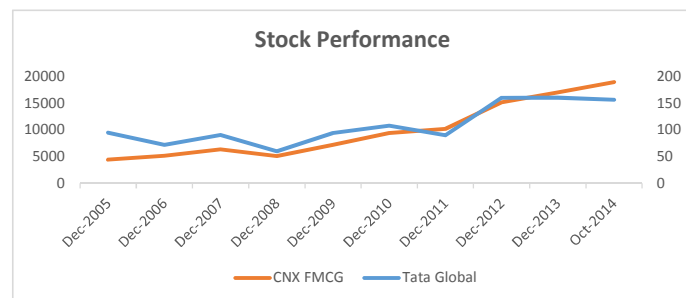


Key Financial Indicators						
Particulars	Units	2013	2012	2011	2010	2009
Revenue	Crs	2,682.95	2,326.09	2,035.29	1,811.11	1,697.92
EBITDA Margins	%	17.48	15.88	16.02	15.63	19.21
PAT	Crs	446.97	258.65	302.68	180.59	391.47
PAT Margins	%	11.78	11.12	11.64	9.97	12.16
Revenue Growth	%	15.34	14.29	12.38	6.67	24.71
EBITDA Growth	%	73.56	(9.69)	44.44	(49.79)	75.58
PAT Growth	%	72.81	(14.55)	67.61	(53.87)	146.11
Gearing	times	0.20	0.20	0.21	0.25	0.33
ROCE	%	14.96	12.68	11.77	10.40	12.36
ROE	%	17.52	11.26	13.83	8.88	19.04

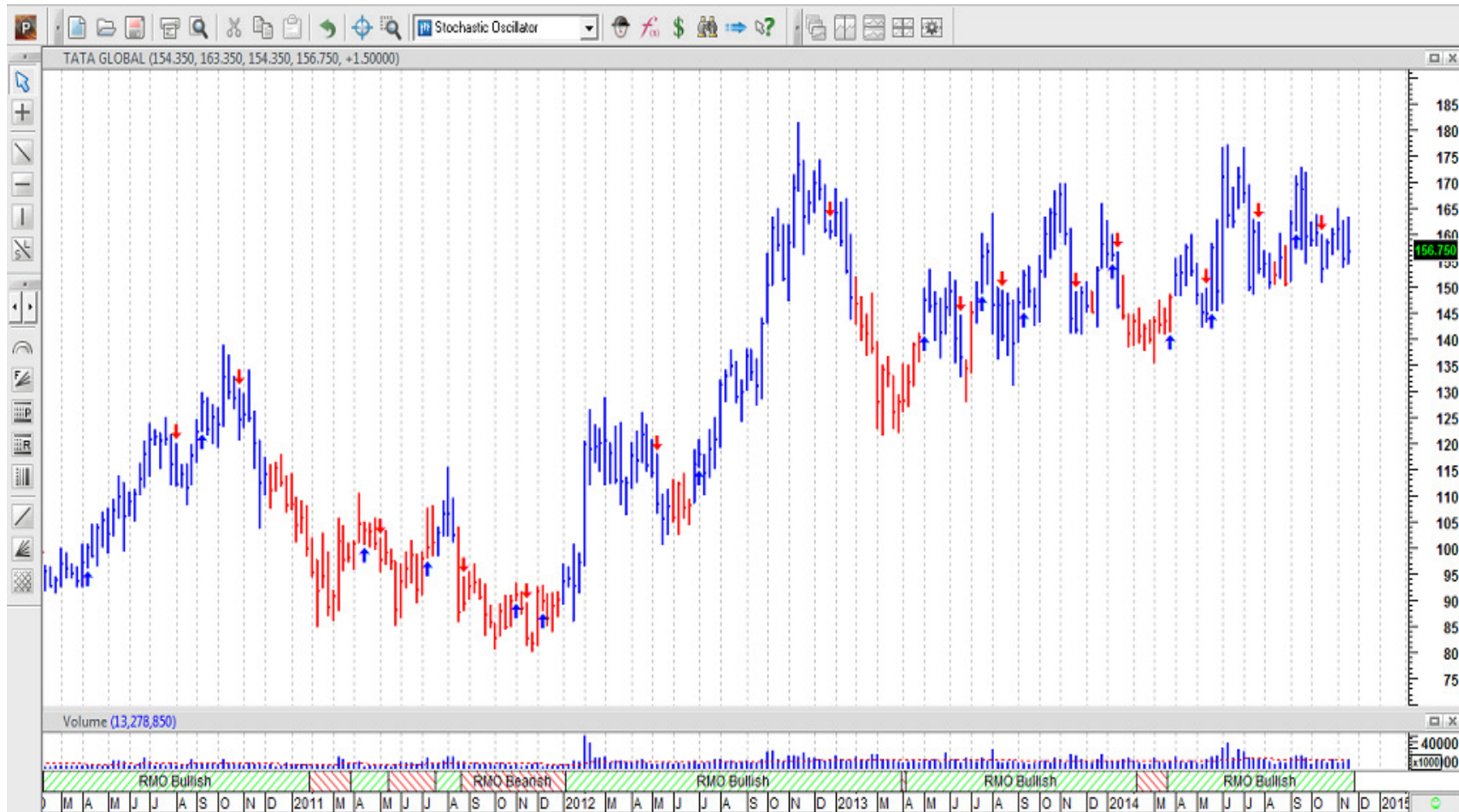
Peer Comparison				
Particulars	Units	Tata Global	Bombay Burmah	Mcleod Russel
Revenue	Rs Cr	2,682.95	282.45	1,475.06
EBITDA Margins	%	17.48	12.55	21.13
PAT	Rs Cr	446.97	4.53	211.01
PAT Margins	%	11.78	1.60	14.11
Gearing	%	0.20	0.67	0.16
EPS	Rs / Share	6.20	23.96	22.66
PE	times	25.33	16.76	10.81
P/BV	times	1.90	0.63	2.22
ROCE	%	14.96	6.28	18.76
ROE	%	17.52	1.73	15.55
EV/EBITDA	times	15.17	23.73	11.41

Stock Performance vis-a-vis Index

Particulars	Return	
	YTD	QTD
Tata Global	(2.18)	(1.32)
CNX Consumer Goods	33.14	5.59



Technical Outlook



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