





COFFEE DAY ENTERPRISES LIMITED

(Formerly Coffee Day Enterprises Private Limited and Coffee Day Resorts Private Limited)

SEVENTH ANNUAL REPORT 2014-2015

- **BOARD OF DIRECTORS**

Mr. V. G. Siddhartha	Chairman and Managing Director
Mrs. Malavika Hegde	Non -Executive, Non Independent Director
Mr. M. D. Mallya	Independent Director
Mr. S.V. Ranganath	Independent Director
Dr. Albert Hieronimus	Independent Director
Mr. Sanjay Omprakash Nayar	Non- Executive, Nominee Director

- **COMPANY SECRETARY**

Mr. Sadananda Poojary

- **CHIEF FINANCIAL OFFICER**

R. Ram Mohan

- **REGISTERED OFFICE**

23/2, Coffeeday Square, Vittal Mallya Road Bangalore-560001
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- **BANKERS**

Corporation Bank
Axis Bank Limited
Karnataka Bank Limited
State Bank of Mysore

- **AUDITORS**

B S R & Co LLP Chartered Accountants Maruti Infotech Centre 11-12/1, Inner Ring Road Koramangala Bengaluru 560071

- **REGISTRAR AND SHARE TRANSFER AGENTS**

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup(West)
Mumbai-400 078
[Tel: +91](tel:+912261715400) 22 6171 5400



NOTICE IS HEREBY GIVEN THAT THE 7TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF M/S. COFFEE DAY ENTERPRISES LIMITED (FORMERLY COFFEE DAY ENTERPRISES PRIVATE LIMITED & COFFEE DAY RESORTS PVT LTD) CIN: U55101KA2008PLC046866 WILL BE HELD ON TUESDAY, 18TH AUGUST 2015 AT 10:00 AM AT ITS REGISTERED OFFICE NO: 23/2, COFFEE DAY SQUARE, VITTAL MALLYA ROAD, BANGALORE- 560 001, KARNATAKA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March, 31, 2015 including the audited Balance Sheet as at March, 31, 2015, the statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mrs. Malavika Hegde (DIN: 00136524) who retires by rotation and is eligible for re-appointment.
3. Appointment of Statutory Auditors:

"RESOLVED THAT pursuant to the provisions of Sec 139,142 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the Companies (Audit and Auditors)Rules, 2014 made thereunder, M/s B S R & Co LLP, Chartered Accountants (LLP Registration No. 101248 W/ W-100022) who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as the statutory auditors of the Company, in terms of provisions of Section 141 of the act and Rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year, 2015-16 to hold office from the conclusion of this Annual general Meeting until the conclusion of the next Annual general Meeting of the Company and that the Board of Directors be and are hereby authorized to fix and pay such remuneration as may be agreed upon between the auditors and the Board of Directors."

By Order of the Board
For **Coffee Day Enterprises Limited**
(Formerly Coffee Day Enterprises Private Limited
& Coffee Day Resorts Private Limited)

Place: Bangalore
Date: 14/07/2015

V G SIDDHARTHA
DIN: 00063987
Managing Director

NOTES:

1. Member's right to appoint Proxy: A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company.
2. The Instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A Proxy form for the AGM is enclosed.
3. A Person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

DIRECTOR'S REPORT

To
The Members,

Your Directors wish to present the 7th Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2015.

Financial Results:

(Amount in Millions)

Particulars	Current reporting Period 2014-15	Previous reporting Period 2013-14
Revenue from operations	24,793.56	22,870.08
Other Income	693.60	657.63
Total Revenue	25,487.16	23,527.71
Expenses	24,320.11	22,492.57
Depreciation	2,574.16	2,385.05
Total Expenses	26,894.27	24,877.62
Profit/(Loss) before Taxation	(1,407.11)	(1,349.91)
Tax Expenses		
i. Current Tax	206.55	89.65
ii. Less: MAT Credit	(88.56)	(79.62)
iii. Deferred Tax	32.25	(0.90)
Profit/ (Loss) for the period (excluding share of profit/loss of associates and minority interest)	(1,557.35)	(1,359.04)

1. Transfer of profit to reserves:

Keeping in view of the long term plans of the company during the year the Board has decided to retain the profit in the Profit and Loss Account. And hence no amount has been transferred to reserves.

2. Dividend:

In view of the losses, current and accumulated, your Directors regret their inability to recommend dividend for the year 2014-2015.

3. State of Company's Affairs:

Your company is the parent company of the Coffee Day Group. It also manages and operates resorts in addition to trading in coffee. Your company is engaged in coffee business through its subsidiary, Coffee Day Global Limited and its subsidiaries. Coffee Day

Coffee Day Enterprises Ltd

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Global Limited has the largest chain of cafés in India (CCD) and operates a highly optimized and vertically integrated coffee business which ranges from procuring to roasting and processing of coffee beans to retailing of coffee products across various formats.

In addition to the coffee business, we operate other business through our subsidiaries that are aimed at leveraging India's growth potential, namely logistics, development of IT- ITES technology parks, logistics, financial services, hospitality and IT-ITES. Our wholly-owned subsidiary, Tanglin Development Limited, is engaged in the development and management of technology parks and related infrastructures. Our subsidiary, Sical Logistics Limited in which we hold a 52.8% effective interest is one of the leading integrated logistics solution providers in India with over five decades of experience. Our subsidiary, Way2Wealth Securities Private Limited is retail focused investment advisory company which provides wealth management, broking, portfolio management and investment advisory services. We own and operate three luxury boutique resorts along with subsidiaries.

4. Change in name & company status:

Your company vide special resolution dated 6th August, 2014 has changed its name from **Coffee Day Resorts Private Limited to Coffee Day Enterprises Private Limited.**

And your company vide special resolution dated 17th January, 2015 has changed the status from private to public company.

5. Initial Public Offer (IPO) of the Company:

In order to augment the capital base and to meet the future capital requirements arising out of growth in our business and achieve the benefits of listing on the stock exchange inter alia, your Company proposes to raise the capital from the primary market by way of its initial public offering (IPO/Issue) and the Company has filed its Draft Red Herring Prospectus (DRHP) with the Securities & Exchange Board of India (SEBI) The Issue is solely on 100% book building process. The Equity Shares to be offered through IPO are proposed to be listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The Global Co-Ordinators and Book Running Lead Managers (GCBRLMs) to the Issue are Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited and Morgan Stanley India Company Private Limited and the BRLMs to the Issue are Axis Capital Limited, Edelweiss Financial Service Limited and Yes Bank Limited.

6. Share Capital:

During the year under review, your company vide its meeting held on 3rd February, 2015 had increased its authorized capital from 2 crore Equity Shares of Rs.10/- each to 27 crore equity share capital of Rs.10/- each.

Your Company during the year had allotted 3,44,8424 equity shares of Rs.10 each at a premium of Rs.2,890 per share to the subscribers to the Private Placement to whom the private placement offer letter was circulated and whose names have been duly entered in the Record of Private Placement offer.

Your Company had allotted 102,140,857 equity shares as Bonus in the ratio of 1:7 on 8th May, 2015 and the Company had redeemed 2 Series of Non-Convertible Redeemable Preference Shares.

7. Amendments in Memorandum of Association & Articles of Association respectively:

During the year under review your Company had altered its Object Clause in the Memorandum of Association by adding a new clause to enable the company embarking upon new projects and activities which are feasible and advantageous for the company's business.

During the year under review your Company had adopted Table-A of Schedule-1 of Memorandum of Association.

8. Transfer of unclaimed dividend to Investor Education and Protection Fund:

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid earlier.

9. Review of business operations:

During the year under review, the Company has achieved a turnover of Rs. 286.88 million (2013-2014 Rs.324.90 millions) resulting in a net loss of Rs. 1257.94 against net loss of Rs.864.05 million in 2013-2014 before taxation. Your Directors are confident of achieving better working results in the years to come.

10. Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year of the Company to which these financial statements relate and the date of the report:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

11. Conservation of energy, technology, absorption, foreign exchange earnings and outgo:

We continue with our initiatives to save energy wherever possible. Details on technology absorption and foreign exchange earnings during the year 2014-2015 are given at Annexure-B.

12. Statement concerning development and implementation of risk management policy of the company:

Your company is exposed to variety of risk considering the diversified business of the subsidiaries which include coffee business, technology park business, logistics business, financial services business and resort business. We conduct a substantial portion of our coffee and non-coffee business operations through our subsidiaries. Hence our company's income is largely dependent on the investment income and dividends from our subsidiary.

Our success depends on the value, perception and marketing of our brands, most particularly the "Café Coffee Day" brand. We are also subject to strong competition in food & beverage industry and our logistics business.

13.Details of policy developed and implemented by the Company on its corporate social responsibility initiatives:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the company.

14.Formal annual evaluation of the Board:

Section 134 3 (p) of the companies Act, 2013 as well as Rule 8 (4) of The Companies (Accounts) Rules, 2014 are not applicable to the company.

15.Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013:

There were loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 to its wholly owned Subsidiaries Tanglin Developments Limited and Coffee Day Hotels & Resorts Private Limited during the year under review.

16.Particulars of contracts or arrangements made with related parties:

The Particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in notes forming to accounts and is attached to this report.

17.Explanation or comments on qualification , reservations or adverse remarks or disclaimers made by the auditors and the practicing Company Secretary in their reports:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

18.Company's policy relating to directors appointment, payment of remuneration and discharge of their duties:

The Current policy is to have an appropriate mix of Executive and Independent Directors to maintain the Independence of the Board and separate its functions of governance and management. As on 31st March, 2015, the Board Consists of 6 members of whom 3 are Independent and one is Executive. The Board periodically evaluates the need for change in its Composition and size.