

To,

**National Stock Exchange of India Limited  
Manager-Listing  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051  
Tel No. 022-2659 8237/38  
[takeover@nse.co.in](mailto:takeover@nse.co.in)**

**BSE Limited  
General manager-DSC  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 001  
Tel No. 022-2272 2039/37/3121  
[corp.relations@bseindia.com](mailto:corp.relations@bseindia.com)**

Dear Sirs,

06<sup>th</sup> February, 2017

**Regulation 30 of LODR, 2015 read with Schedule III: Intimation of Notice of Tribunal Convened Meeting**

We are forwarding herewith the Notice of Tribunal Convened Meeting of the Company scheduled on 10<sup>th</sup> March, 2017 at 12:00 Noon at Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059.

Kindly take the same on record

Thanking you

**For Coffee Day Enterprises Limited**

  
**Sadananda Poojary  
Company Secretary & Compliance Officer**





**NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY  
SHAREHOLDERS OF  
COFFEE DAY ENTERPRISES LIMITED  
AND  
POSTAL BALLOT AND E-VOTING**

Day	Friday
Date	10 <sup>th</sup> March, 2017
Time	12: 00 Noon
Venue	Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH  
IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND SECTIONS 230  
TO 232 OF THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
COFFEE DAY OVERSEAS PRIVATE LIMITED  
WITH  
COFFEE DAY ENTERPRISES LIMITED  
COMPANY APPLICATION NO. 739 / 2016  
IN  
TP NO. 266/2017**

**COFFEE DAY ENTERPRISES LIMITED**, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001, represented by its Company Secretary and Compliance Officer Mr. Sadananda Poojary

**APPLICANT/TRANSFEREE  
COMPANY**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY PURSUANT TO THE ORDER DATED FEBRUARY 2, 2017 BY THE NATIONAL COMPANY LAW TRIBUNAL**

To,

The Equity Shareholders of Coffee Day Enterprises Limited (“Applicant Company” or “Company”):

Notice is hereby given that by an order dated February 2, 2017 of the Bangalore Bench of the National Company Law Tribunal (NCLT) has directed a meeting to be held of 'Equity shareholders' of the company for the purpose of considering, and if thought fit, approving with or without modification, the amalgamation proposed to be made between the company and 'Equity shareholders' of the company aforesaid.

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of 'Equity shareholders' of the said company will be held at Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059 on Friday the 10<sup>th</sup> day of March 2017 at 12.00 Noon and members are requested to attend.

Persons entitled to attend and vote at the meeting (or respective meetings), may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the company not later than 48 hours before the meeting.

Forms of proxy can be had at the registered office of the Company is attached with the notice.

The Tribunal has appointed Shri S. V. Ranganath, Independent Director as the chairperson of the said meeting.

The above mentioned amalgamation, if approved by the meeting, will be subject to the subsequent approval of the tribunal.

To transact the Special Business mentioned below. This notice is given for consideration of the resolution mentioned below to be passed at such Tribunal Convened Meeting and by remote e-voting pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) and Section 108 of the Companies Act, 2013 read with the relevant rules.

The Audit Committee and the Board of Directors of the Company had at their respective meetings held on 11 August, 2016, approved the Scheme, subject to approval by the requisite majority of the shareholders of the Company and creditors of the



Company, as may be required, and subject to the sanction of the National Company Law Tribunal and of such other authorities as may be necessary.

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230(3) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company for approval of the proposed amalgamation embodied in the scheme of amalgamation of Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited and their respective shareholders and creditors ("Scheme").

**"RESOLVED THAT** pursuant to the provisions of Sections 230(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the National Company Law Tribunal, if and when applicable, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble National Company Law Tribunal, if and when applicable or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the scheme of amalgamation of Coffee Day Overseas Private Limited with Coffee Day Enterprises Limited and their respective shareholders and creditors ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble National Company Law Tribunal, if and when applicable while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

**TAKE FURTHER NOTICE** that in pursuance of the said Orders and as directed therein, a meeting of the equity shareholders of the Company, will be held at Coffee Day, Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059 on 10<sup>th</sup> March, 2017 at 12.00 Noon, and you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office at 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore -560001 not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting.

**TAKE FURTHER NOTICE** that each equity shareholder can opt for only one mode of voting i.e. either at the venue of the meeting of the equity shareholders of the Company or by remote e-voting. If you opt for remote e-voting, then do not vote at the venue of the meeting and vice-versa. In case of shareholders exercising their right to vote via both modes, i.e. at the venue of the meeting of the equity shareholders of the Company as well as remote e-voting, then remote e-voting shall prevail over voting by the said shareholder at the venue of the meeting of the equity shareholders and the vote cast at the venue of the meeting by that shareholder shall be treated as invalid.

- (a) A copy of the Scheme, the Explanatory Statement under Section 102 of the Companies Act, 2013, Form of Proxy, Attendance Slip, Observation Letters issued by BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), Valuation report by Vishnu Ram & Co., Fairness Opinion issued by SPA Capital Advisors Limited, Complaints Report, report of the Board of Directors on the Draft scheme of Amalgamation, Supplementary accounting statement for the period ending September 30, 2016, Pre and Post amalgamation shareholding are enclosed.

Place: Bengaluru

Date: February 6, 2017

Regd Office:

23/2, Coffee Day Square,

Vittal Mallya Road, Bangalore-560001

**By order of the Board of Directors  
For Coffee Day Enterprises Limited**

**Sadananda Poojary  
Company Secretary & Compliance Officer  
M.No.F5223**



**Coffee Day Enterprises Limited**

**CIN: L55101KA2008PLC046866**

**Regd Office: 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560001**

**Tel No: +91 80 40012345; Fax: + 91 80 40012650**

**Website [www.coffeeday.com](http://www.coffeeday.com)**

**NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF THE COMPANY**

**NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, REGULATION 44 AND OTHER APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (“SEBI LISTING REGULATIONS”) (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED 30 NOVEMBER, 2015 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”)**

Dear Shareholder,

NOTICE is hereby given to you to consider, and, if thought fit, approve the proposed Scheme of Amalgamation of Coffee Day Enterprises Limited with Coffee Day Overseas Private Limited and their respective shareholders (“the Scheme”).

The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 11<sup>th</sup> August, 2016 approved the Scheme. Accordingly, the valuation report submitted by M/s Vishnu Ram & Co; Chartered Accountants (Share Swap Ratio Report) and the fairness opinion provided by M/s. SPA Capital Advisors Limited (“Fairness Opinion”) were placed before the Audit Committee and the Board of Directors at their respective meetings on 11 August, 2016.

The National Company Law Tribunal at Bengaluru in the Company Application no. 739/2016 in Transfer Petition No. 266/2017 directed the Company to convene and conduct a meeting of the Equity Shareholders on Friday the 10<sup>th</sup> March, 2017 at 12.00 Noon at Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059 in the state of Karnataka. In addition to the Court Convened Meeting, the SEBI circulars provide that, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (i.e. shareholders other than Promoter and Promoters Group shareholders) in favour of proposal are more than the number of votes cast by the Public Shareholders against it through Postal Ballot and E-voting.

The Company accordingly seeks the consent of the Shareholders for the aforesaid proposal as per draft resolution appended below, which is proposed to be passed by way of postal ballot and E-voting as per /SEBI circulars. The Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed hereto.

The Company has received Observation letters dated Nov 16, 2016 and Nov 17, 2016 issued by BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) respectively pursuant to the SEBI Circulars and the Listing Agreement (collectively referred to as “Observation Letters”) and under relevant provisions of applicable laws.

The Board of Directors has appointed CS Harshavardhan.R.Boratti (Mem No. 31152, C.O.P. No. 11444) Practicing Company Secretary, Bengaluru, Proprietor M/s. HRB & CO as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

We request you to communicate your assent or dissent by carefully reading the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed and signed, in the enclosed self-addressed, postage pre-paid business reply envelope (if posted in India) so as to reach the Scrutinizer on or before the close of working hours i.e., 09<sup>TH</sup> March, 2017. The reply received after the said date shall be treated as if reply from the shareholder has not been received. The shareholders are also requested to note that the draft resolution set out in this notice may also be voted upon through E-voting and the Company has entered into an agreement with National Securities Depository Limited (NSDL) to provide the shareholders the platform to vote electronically (E-voting) instead of in the physical mode. The shareholders desirous of exercising their vote electronically are requested to read the instructions printed under the notes. The shareholders who wish to exercise their vote using postal ballot form are requested to carefully go through the instructions printed overleaf the enclosed postal ballot form.

The Scrutinizer will submit his report to the Chairperson after completion of the scrutiny of the Postal Ballots including e-voting. The results of the Postal Ballot will be announced on 11<sup>th</sup> March, 2017 in the state of Karnataka and will be displayed on the



website of the Company at [www.coffeeday.com](http://www.coffeeday.com) for information of the Equity Shareholders besides being communicated to BSE Limited and National Stock Exchange of India Limited on which the shares of the Company are listed.

To consider, and if thought fit to pass, with or without modification(s), the following Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 230 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon’ble National Company Law Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon’ble National Company Law Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the scheme of amalgamation of Coffee Day Overseas Private Limited with Coffee Day Enterprises Limited and their respective shareholders and creditors (“Scheme”) placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble National Company Law Tribunal at Karnataka while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Place: Bengaluru

**By order of the Board of Directors  
For Coffee Day Enterprises Limited**

Date: February 3, 2017

Regd Office:

23/2, Coffee Day Square,

Vittal Mallya Road, Bangalore-560001

**Sadananda Poojary  
Company Secretary & Compliance Officer  
M.No.F5223**

Notes:

1. Explanatory Statement of material facts for the proposed Resolution pursuant to Section 102 read with Section 110 and Section 108 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 230 of the Companies Act, 2013 setting out material facts forms part of this Notice booklet.
2. The Notice of the postal ballot is being sent to all the shareholders whose names appear in the records of the Company as on January 27, 2017. In respect of the shareholders who have registered their e-mail IDs for receipt of documents in electronic mode, would be sent the Notice of postal ballot by e-mail.
3. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the shareholders as on January 27, 2017.
4. The voting period for postal ballot and e-voting commences on 08<sup>th</sup> February, 2017 and ends on 9<sup>th</sup> March, 2017. Responses received after this date and time will be treated as invalid.
5. Shareholders are also requested to carefully read the instructions printed in this notice before exercising their vote.
6. The shareholder(s) can opt for only one mode of voting, i.e. either by e-voting or postal ballot. If you are opting for e-voting, then do not vote by postal ballot also and vice versa. However, in case shareholders cast their vote by postal ballot and e-voting, then e-voting shall prevail over voting through postal ballot and voting done through postal ballot will be treated as invalid. After you vote, the vote cannot be changed subsequently.



**VOTING THROUGH POSTAL BALLOT**

The detailed procedure is as under:

1. A shareholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Harshavardhan.R.Boratti, Practicing Company Secretary in the enclosed self-addressed postage prepaid envelope. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the shareholder will also be accepted.
2. The self-addressed postage prepaid envelope bears the name and address of the Scrutinizer appointed by the Board.
3. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the postal ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
4. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5:00 PM on 09<sup>th</sup> March, 2017. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
5. The voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on January 27, 2017.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution / Authority and preferably with attested specimen signature(s) of the duly authorized signatory (ies) giving requisite authority to the person voting on the Postal Ballot Form.
7. The exercise of vote by Postal Ballot is not permitted through proxy.
8. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of joint member(s).
9. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.
10. A shareholder need not use all the votes nor does he need to cast all the votes in the same way.
11. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.
12. The result of the voting on the resolutions will be announced on 11<sup>th</sup> March, 2017 and displayed at the registered office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company viz. [www.coffeeday.com](http://www.coffeeday.com) and also of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
13. The Applicant Company is pleased to offer e-voting facility as an alternate, for all the shareholders of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.



## E - Voting Facility

In compliance with provisions of Section 110 of the Companies Act 2013 read with the Rules and Circulars bearing No. CIR/CFD/DIL/5/2013 Dated 4 February 2013, CIR/CFD/DIL/8/2013 Dated 21 May 2013 and Clause 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Shareholder have option to vote either through e-voting or through the Postal Ballot Form.

For this purpose, the Company has signed an agreement with the National Securities Depository Limited (“NSDL”) for facilitating e-voting.

Voting through Electronic means (e-voting) and Postal Ballot

A. The instructions for voting via Electronic means (e-voting) are as under:

(a) In case of Shareholders’ receiving e-mail from NSDL

i. Open e-mail and open PDF file viz; “remote e-Voting.pdf” with your Client ID or Folio No. as password.

The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

iii. Click on Shareholder - Login

iv. Put user ID and password as initial password noted in step (i) above. Click Login.

v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.

vii. Select “EVEN” of Coffee Day Enterprises Limited.

viii. Now you are ready for e-Voting as Cast Vote page opens

ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.

x. Upon confirmation, the message “Vote cast successfully” will be displayed

xi. Once you have voted on the resolution, you will not be allowed to modify your vote

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csharshavardhan@gmail.com](mailto:csharshavardhan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(b) In case of Shareholders’ receiving Postal Ballot Form by Post:

i. Initial password is provided as below/at the bottom of the Separate Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

(d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.





**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH  
IN THE MATTER OF SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND SECTIONS 230  
TO 232 OF THE COMPANIES ACT, 2013  
AND  
IN THE MATTER OF SCHEME OF AMALGAMATION  
BETWEEN  
COFFEE DAY OVERSEAS PRIVATE LIMITED  
WITH  
COFFEE DAY ENTERPRISES LIMITED  
COMPANY APPLICATION NO. 739 / 2016  
IN  
TP NO. 266/2017**

**COFFEE DAY ENTERPRISES LIMITED**, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001, represented by its Company Secretary and Compliance Officer Mr. Sadananda Poojary

**APPLICANT/TRANSFEREE  
COMPANY**

**EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF COFFEE DAY ENTERPRISES LIMITED AND NOTICE FOR POSTAL BALLOT AND E-VOTING**

Pursuant to the order passed by the Hon'ble National Company Law Tribunal (NCLT) at Bangalore, in the Company Applications filed by the above referred hereinabove meetings of Equity Shareholders of Coffee Day Enterprises Limited, the applicant Company is being convened and held on Friday the 10<sup>th</sup> March, 2017 at 12.00 Noon at Global Village, RVCE Post, Mysore Road, Pattangere/Mylasandra, Bangalore-560059 for the purpose of considering and, if thought fit, approving with or without modification(s), the amalgamation embodied in the scheme of Amalgamation in the nature of amalgamation between Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited

Notice of the said meetings together with the copy of the Scheme of Amalgamation is sent herewith. This statement explaining the terms of the scheme of amalgamation is being furnished as required under section 230(3) of the Companies Act, 2013.

2. Apart from the tribunal Convened Meeting of the Equity Shareholders of the Applicant Company, to seek their approval for the Scheme of Amalgamation in the nature of Amalgamation between Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited and their respective shareholders ("the Scheme") under section 230 & 232 of the Companies Act, 2013 the approval of the secured creditors and unsecured creditors of the Applicant Company has been obtained.

3. Under the Observation Letters issued by the BSE and NSE, BSE and NSE have granted their no-objection to the said Scheme of Amalgamation subject to the condition 'the Company shall seek approval of the public shareholders and ensure that the Scheme of amalgamation shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it' and 'the Company shall duly comply with various provisions of the Circulars issued by SEBI'.

4. A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been approved by the Board of Directors of the Company is enclosed herewith.



5. The details of the scheme of amalgamation are as follows:

**(i) Details of the order of the Tribunal directing the calling, convening and conducting of the meeting:-**

- (a) date of the Order; February 2, 2017  
(b) date, time and venue of the meeting. Date: 10/03/2017  
Time:- 12.00 Noon  
Venue: Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059

**(ii) Details of the company:**

- (a) Corporate Identification Number (CIN) of the company: L55101KA2008PLC046866  
(b) Permanent Account Number (PAN): AADCC3995L  
(c) name of the company: Coffee Day Enterprises Limited  
(d) date of incorporation: 20/06/2008  
(e) type of the company (whether public or private or one-person company): Public Listed Company  
(f) registered office address and e-mail address: 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560 001  
(g) summary of main object as per the memorandum of association; and main business carried on by the Company

(I) running holiday resorts, boarding and lodging houses, hotels, restaurants, cafes, villas, and other types of accommodation;

(II) import, export, processors, wholesale traders in coffee and allied products; and

(III) taking over all the assets and liabilities and to continue the business and all activities of Coffee Day Holdings Co.

(h) Details of change of name, registered office and objects of the company during the last five years;

Details of Change of Name:

The Company was incorporated as a private company on 20<sup>th</sup> June, 2008 under the name Coffee Day Holdings Company Private Limited as per the provisions of the Companies Act, 1956. The name was changed from Coffee Day Holdings Company Private Limited to Coffee Day Resorts Private Limited on 25<sup>th</sup> January, 2010. Further, the name was changed from Coffee Day Resorts Private Limited to Coffee Day Enterprises Private Limited on 06<sup>th</sup> Day of August, 2014. Subsequently, Coffee Day Enterprises Private Limited ceased to be a private limited company and the name was changed to Coffee Day Enterprises Limited on 21<sup>st</sup> Day of January 2015.

Details of Change of Registered Office: The Company has not changed its registered office, during the last five years.

Details of Change of Objects of the Company:

The Company vide the approval of the shareholders on November 22, 2014 added the below objects to its Memorandum of Association:

“To carry on the business of importers, exporters, processors, curers, wholesale traders in coffee and allied products”.

(i) Name of the stock exchange (s) where securities of the company are listed, if applicable:

Bombay Stock Exchange of India Limited  
National Stock Exchange of India Limited

(j) Details of the capital structure of the company including authorised, issued, subscribed and paid up share Capital:

Particulars	Amount in Rs.
<b>Authorised Share Capital</b>	
(a) 27,05,84,000 Equity Shares of Rs. 10/- each and (b) 35,00,000 0.001% compulsorily convertible preference shares of Rs 10/- each	(a) 2,70,58,40,000/- (b) 3,50,00,000/-
<b>Issued , Subscribed and Paid up Share Capital</b>	
20,60,01,719 Equity Shares of Rs. 10/- each	2,06,00,17,190/-

(k) Names of the promoters and directors along with their addresses.

<b>PROMOTER &amp; PROMOTER GROUP</b>	
<b>NAME</b>	<b>Address</b>
Mr. V.G Siddhartha-Promoter	No.143, 5th Cross, RMV Extension, Sadashiva Nagar BANGALORE- 560 080.
Devadarshini Info Technologies Pvt Ltd-Promoter Group	No. 2/23, 1st Floor, 12th Cross, Swimming Pool Extension, Malleshwaram, Bangalore - 560003
Coffeeday Consolidations Pvt.Ltd- Promoter Group	No. 2/23, 1st Floor, 12th Cross, Swimming Pool Extension, Malleshwaram, Bangalore – 560003
Gonibedu Coffee Estates Private Limited- Promoter Group	No. 2/23, 1st Floor, 12th Cross, Swimming Pool Extension, Malleshwaram, Bangalore - 560003
Mrs Malavika Hegde- Promoter Group	No.143, 5th Cross, RMV Extension, Sadashiva Nagar BANGALORE- 560 080.
Sivan Securities Pvt.Ltd- Promoter Group	No. 2/23, 1st Floor, 12th Cross, Swimming Pool Extension, Malleshwaram, Bangalore - 560003

<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>
Mr. V.G Siddhartha	Chairman and Managing Director	No.143, 5th Cross, RMV Extension, Sadashiva Nagar BANGALORE- 560 080
+Mrs. Malavika Hegde	Non- Executive Director	No.143, 5th Cross, RMV Extension, Sadashiva Nagar BANGALORE- 560 080
Mr. Sanjay Nayar	Nominee Director	Flat No.9, The Rushilla Co-op Housing Society, 17/C, Carmichael Road, Mumbai 400026
Shri S V Ranganath	Independent Director	No.25, 8 <sup>th</sup> Cross, 2 <sup>nd</sup> Block Jaynagar 560011
Dr Albert Hieronimus	Independent Director	Pfaffenaecker, 6a, 97816 Lohram Main, Germany
Mr. M D Mallya	Independent Director	C-601, Ashok Towers, Dr. Ambedkar Marg, Parel, Mumbai

(iii) if the scheme of ~~compromise~~ or amalgamation relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of ~~compromise~~ or amalgamation, including holding, subsidiary or of associate companies – NA

(iv) The date of the board meeting at which the scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution –

The scheme was approved by the board in their meeting held on 11/08/2016. The directors present unanimously voted in favour of the resolution.

<b>(vi) Disclosure about the effect of the <del>compromise</del> or amalgamation on:</b>	
(a) key managerial personnel;	No impact
(b) directors;	No impact
(c) promoters;	The shareholding of the promoters will get diluted by 1.31%*
(d) non-promoter members;	The shareholding of the non-promoter members will increase by 1.31%*
(e) depositors;	Not applicable
(f) creditors;	No impact
(g) debenture holders;	No impact
(h) deposit trustee and debenture trustee;	No impact
(i) employees of the Company	No impact

\*The % change has been calculated based on shareholding as on December 31, 2016

(vii) Disclosure about effect of ~~compromise~~ or amalgamation on material interests of directors, Key Managerial Personnel- The Scheme of Amalgamation has no impact on the material interests of directors, Key Managerial Personnel of the Company.

**(viii) Investigation or proceedings, if any, pending against the company under the Act-**

There are no investigations of proceedings pending against the company under this Act

**(ix) Details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or for inspection by the members and creditors, namely:**

Inspection of the following documents may be had at the Registered Office of Coffee Day Enterprises limited up to one day prior to the date of the meeting between 11.00 am and 4.00 pm on all working days (except Saturdays and Sundays):

- (a) Latest audited financial statements of the company including consolidated financial statements;
- (b) Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with;
- (c) Copy of scheme of ~~compromise or~~ amalgamation;
- (d) Contracts or agreements material to the ~~compromise or~~ amalgamation;
- (e) The certificate issued by Auditor of the company to the effect that the accounting treatment, if any, proposed in the scheme of ~~compromise or~~ amalgamation is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and
- (f) Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme;

**(x) Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of ~~compromise or~~ amalgamation.**

The following are received from the statutory authorities:

1. Approval from Competition Commission of India has been obtained.
2. No Objection from BSE and NSE has been obtained subject to condition that ‘the Company shall seek approval of the public shareholders and ensure that the Scheme of amalgamation shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it’ and ‘the Company shall duly comply with various provisions of the Circulars’.

<b>(a) Parties involved in such <del>compromise or</del> amalgamation:</b>	Coffee Day Enterprises Limited (transferee company) and Coffee Day Overseas Private Limited (Transferor Company)
<b>(b) In case of amalgamation or merger, appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any;</b>	<p><b>Appointed Date:</b> August 1, 2016 or such other date as may be fixed or approved by the National Company Law Tribunal</p> <p><b>Effective Date:</b> Date on which all necessary certified copies of Orders under Sections 230 to Section 232 of the Companies Act, 2013 as may be applicable shall be duly filed with the Registrar of Companies, Karnataka</p> <p><b>Share Exchange Ratio:</b> For every 1 equity share, each having a face value of Rs. 10/- in the Transferor Company, 21 fully paid up equity shares, each having a face value of Rs. 10/- each of the Transferee Company</p>
<b>(c) Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at the registered office of the company;</b>	<p><b>Valuation</b> is done to ascertain number of shares that are required to be issued to the shareholders of Coffee Day Overseas Private Limited in Exchange for every share held by them in Coffee Day Overseas Private Limited consequent upon amalgamation for the swap ratio.</p> <p><b>Basis of Valuation</b></p> <p>CDEL: Since CDEL is a listed company, higher of the following has been considered for valuation:</p> <ul style="list-style-type: none"> <li>– Average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or</li> <li>– Average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.</li> </ul> <p>CDOPL: Adjusted Net assets method has been used by replacing the book value of its investment into CDGL with its fair value as on date of valuation.</p>

	<p>Fairness Opinion of Registered Valuer (SPA Capital Advisors Limited):</p> <p>”On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio determined is fair and reasonable to the holders of equity shares of Coffee Day Overseas Private Limited”</p> <p>The valuation report is available for inspection at the registered office of the company up to one day prior to the date of the meeting between 11.00 am and 4.00 pm on all working days (except Saturdays and Sundays):</p>
<b>(d) Details of capital or debt restructuring, if any;</b>	Nil
<b>(e) Rationale for the <del>compromise or</del> amalgamation:</b>	As set below in (f)
<b>(f) Benefits of the <del>compromise or</del> amalgamation as perceived by the Board of directors to the company, members, creditors and others (as applicable):</b>	<p>a) The amalgamation will provide significant impetus to the growth of the Transferee Company. The amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company.</p> <p>b) To economize on administrative and other expenses.</p> <p>c) To increase the efficiency of combined business by pooling of resources and their optimum utilisation, thereby availing synergies from combined resources.</p> <p>d) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.</p> <p>e) There shall be impetus and increase in the area of sales, network of the Transferee Company.</p> <p>f) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.</p> <p>g) This will help the Transferee Company to consolidate its stake in its group company, Coffee Day Global Limited (“CDGL”), and in doing so, to achieve all of the above with respect to the Transferee Company’s dealings with CDGL as well.</p>
<b>(g) Amount due to unsecured creditors</b>	Rs. 51,83,666/- ( Rupees Fifty One Lakh Eighty Three Thousand Six Hundred and Sixty six only)

**Documents under Section 232(2) of the Companies Act, 2013**

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement

- (b) Scheme of Amalgamation;
- (c) Report of the Board of Directors of the Company;
- (d) Valuation Report;
- (e) Supplementary accounting statement for the period ending September 30, 2016

Note: The Scheme of Amalgamation has been filed with the Registrar of Companies, Karnataka.



**PRE AND POST AMALGAMATION SHAREHOLDING PATTERN**

Pre-amalgamation shareholding pattern of the Applicant Company and pre and post Amalgamation (expected) shareholding pattern of the Transferee Company are given below:

- a) The Pre-Amalgamation shareholding pattern of the Coffee day Overseas Private Limited is provided as Annexure-A
- b) The Pre and Post-Amalgamation shareholding pattern of Coffee Day Enterprises Limited is given as Annexure-B

Place: Bengaluru  
Date: February 6, 2017  
Regd Office:  
23/2, Coffee Day Square,  
Vittal Mallya Road,  
Bangalore-560001

**By order of the Board of Directors  
For Coffee Day Enterprises Limited**

**Sadananda Poojary  
Company Secretary & Compliance Officer  
M.No F5223**



**SCHEME OF AMALGAMATION  
OF  
COFFEE DAY ENTERPRISES LIMITED  
AND  
COFFEE DAY OVERSEAS PRIVATE LIMITED**

**PART I**

**PRELIMINARY**

- A.** This Scheme of Amalgamation provides for the amalgamation of Coffee Day Overseas Private Limited, having its registered office at No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001 (i.e. the “**Transferor Company**”) with Coffee Day Enterprises Limited, having its registered office at No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001 (i.e. the “**Transferee Company**”) pursuant to the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, as may be applicable.
- B.** The Transferor Company was incorporated on 21<sup>st</sup> March, 2001 under the name Way2Wealth Advisors Private Limited as per the provisions of the Companies Act, 1956. The name of the Transferor Company was changed to R. G. Advisors Private Limited from Way2wealth Advisors Private Limited on 02<sup>nd</sup> December, 2010 and subsequently the name of the company was changed to Coffee Day Overseas Private Limited on 25<sup>th</sup> March, 2014. The Transferor Company is involved in the business of:
- (i) setting up of cafés hotels, restaurants, cyber cafes;
  - (ii) manufacturing, distribution and dealership of milk and milk products;
  - (iii) manufacturing, distribution and dealership of bread, confectionaries and other bakery items;
  - (iv) cultivating and dealing with agricultural products horticultural products, dairy and farm produce and products including food grains, cereals, seeds, oilseeds, vegetables, fruits, edible oils, food products and preparation of any nature and description; and
  - (v) import and export all kinds and types of food products.
- C.** The Transferee Company was incorporated as a private company on 20<sup>th</sup> June, 2008 under the name Coffee Day Holdings Company Private Limited as per the provisions of the Companies Act, 1956. The name of the Transferee Company was changed from Coffee Day Holdings Company Private Limited to Coffee Day Resorts Private Limited on 25<sup>th</sup> January, 2010. Further, the name of the company was changed from Coffee Day Resorts Private Limited to Coffee Day Enterprises Private Limited on 06<sup>th</sup> Day of August, 2014. Subsequently, Coffee Day Enterprises Private Limited ceased to be a private limited company and the name was changed to Coffee Day Enterprises Limited on 21<sup>st</sup> Day of January 2015. The Transferee Company is involved in the business of:
- (i) running holiday resorts, boarding and lodging houses, hotels, restaurants, cafes, villas, and other types of accommodation;
  - (ii) import, export, processors, wholesale traders in coffee and allied products; and
  - (iii) taking over all the assets and liabilities and to continue the business and all activities of Coffee Day Holdings Co.
- D.** By this Scheme of Amalgamation, it is proposed to amalgamate the Transferor Company with the Transferee Company, for the purposes of better, efficient and economical management, control and running of the businesses, and for further development and growth of the business of the Transferee Company. The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following, benefits, amongst others, to both companies, their respective members and creditors:
- (i) The amalgamation will provide significant impetus to the growth of the Transferee Company. The amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company.
  - (ii) To economize on administrative and other expenses.
  - (iii) To increase the efficiency of combined business by pooling of resources and their optimum utilisation, thereby availing synergies from combined resources.

- (iv) The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
- (v) There shall be impetus and increase in the area of sales, network of the Transferee Company.
- (vi) The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.
- (vii) This will help the Transferee Company to consolidate its stake in its group company, Coffee Day Global Limited (“CDGL”), and in doing so, to achieve all of the above with respect to the Transferee Company’s dealings with CDGL as well.

## PART II

**IN CONSIDERATION OF THE RECIPROCAL PROMISES, THIS SCHEME BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY AND THEIR RESPECTIVE SHAREHOLDERS, CREDITORS (SECURED AND UNSECURED) IS BEING PROPOSED IN ACCORDANCE WITH THE TERMS SET OUT HEREUNDER:**

### 1. DEFINITIONS AND INTERPRETATIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 1956, as may be applicable, including any statutory modifications, re-enactments or amendments thereto and shall include the relevant and corresponding sections under the Companies Act, 2013, as and when the same are made applicable before the Effective date of the Scheme.
- 1.2 “**Appropriate Authorities**” means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Competition Commission of India, National Company Law Tribunal, High Court (s).
- 1.3 “**Appointed Date**” means August 1, 2016 or such other date as may be fixed or approved by the High Court of Karnataka or National Company Law Tribunal.
- 1.4 “**Applicable Laws**” shall include all applicable:
  - (i) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, listing agreements, notifications, guidelines or policies of India; and
  - (ii) judicial, quasi-judicial and/or administrative decisions, interpretations, directions, directives, licenses, permits, judgments, writs, injunctions, arbitral awards, decrees, orders, terms and conditions of governmental or regulatory approvals or agreements with any governmental or regulatory authority.
- 1.5 “**Effective Date**” means last of the dates specified in Clause 14 of this Scheme.
- 1.6 “**Order**” means the order of the High Court of Karnataka or the National Company Law Tribunal, sanctioning the Scheme of Amalgamation.
- 1.7 “**Scheme**” or “**The Scheme**” means this Scheme of Amalgamation in its present form as approved by the Board of Directors of the Transferor Company and Transferee Company subject to such modification(s) made under Clause 13 of this Scheme as the High Court of Karnataka or the National Company Law Tribunal may impose on the Transferee Company and Transferor Company respectively and such modifications which the Transferor Company and the Transferee Company may deem necessary subject to the approval of the same by the High Court of Karnataka or the National Company Law Tribunal.
- 1.8 “**Stock Exchanges**” means the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, as may be applicable .
- 1.9 “**Transferee Company**” means Coffee Day Enterprises Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No-23/2, Coffee Day Square, Vittal Mallya Road, Bengaluru 560001.

- 1.10 **“Transferor Company”** means Coffee Day Overseas Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at No-23/2, Coffee Day Square, Vittal Mallya Road, Bengaluru 560001.
- 1.11 **“Undertaking of the Transferor Company”** means the business of the Transferor Company and includes:
- (a) all the assets of the Transferor Company as on the Appointed Date;
  - (b) all liabilities of the Transferor Company as on the Appointed Date;

Without prejudice to the generality of the above, the Undertaking of the Transferor Company shall include all rights, privileges, powers and authorities and all property, movable or immovable, real or personal, corporeal or incorporeal of whatsoever nature, in possession or reversion, present or contingent of whatever nature and where so ever situated in India or overseas, and where so ever situate belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including in particular, but without being limited to fixed assets, capital work-in-progress, current assets, debts, receivables, investments, software, technologies, belonging to or in the ownership, power or possession and/or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, powers, authorities, allotments, approvals, permissions, licenses, consents, exemptions, registrations, statutory licences, no-objection certificates and certifications, contracts, engagements, arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and where so ever situated, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, licences, tenancy rights, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections & installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefits of all agreements, subsidies, grants, sales-tax, turnover tax, excise, permits, quotas, rights, entitlements, tenancies, roof rights, brand, all copyrights, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label, designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licences in respect thereof, privileges and any rights, title or interest in intellectual property rights, benefits of contracts, agreements and all other rights including lease rights, licenses including those relating to trademarks, or service marks, powers and facilities of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled and all the debts, liabilities including contingent liabilities, duties, responsibilities and obligations of Transferor Company on the Appointed Date and all other obligations of whatsoever kind including liabilities for payment of gratuity, pension benefits, provident fund or compensation in the event of retrenchment and all other interests arising to the Transferor Company and any accretions or additions thereto after the Appointed Date.

- 1.12 Reference in the Scheme to **“upon the Scheme becoming effective”** or **“effectiveness of the Scheme”** shall mean the Effective Date.
- 1.13 References in the Scheme to any provision of the Companies Act, 1956 shall include references to the equivalent provision of the Companies Act, 2013 as and when such provisions are notified.

## 2. SHARE CAPITAL

- 2.1 The share capital of the Transferee Company as on July 31, 2016 is as under:

Particulars	Amount in Rs.
<b>Authorised Share Capital</b>	
(a) 27,05,84,000 Equity Shares of Rs. 10/- each and (b) 35,00,000 0.001% compulsorily convertible preference shares of Rs 10/- each	(a) 2,70,58,40,000/- (b) 3,50,00,000/-
<b>Issued , Subscribed and Paid up Share Capital</b>	
20,60,01,719 Equity Shares of Rs. 10/- each	2,06,00,17,190/-

- 2.2 The share capital of the Transferor Company as on July 31, 2016 is as under:

Particulars	Amount in Rs.
<b>Authorised Share Capital</b>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000/-
<b>Issued , Subscribed and Paid up Share Capital</b>	
2,50,000 Equity Shares of Rs. 10/- each	25,00,000/-

### **3. AMALGAMATION OF COMPANIES**

#### **3.1 TRANSFER AND VESTING OF ASSETS**

- 3.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme including in relation to the mode of transfer and vesting, all of the assets, both movable and immovable, tangible and intangible, investments, rights, title and interests comprised in the Undertaking of Transferor Company shall pursuant to Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable and without any further act or deed be transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the estate, assets, rights, title and interest of the Transferee Company.
- 3.1.2 The mode of vesting of assets referred to in Clause 3.1.1 is as under:
- 3.1.2.1 In respect of such of the said assets as are movable in nature including investments or are otherwise capable of transfer by manual delivery and/or by endorsement and delivery, the same shall be so transferred by the Transferor Company to the Transferee Company in pursuance of the provisions of this Scheme and Section 394 of the Companies Act, 1956, and Section 232 of the Companies Act, 2013 as may be applicable, without requiring any deed or instrument of conveyance for the same and upon such transfer the same shall become the property, estate, assets, rights, title interest and authorities of the Transferee Company.
- 3.1.2.2 In respect of such of the said assets of the Transferor Company other than those referred to in Clause 3.1.2.1 above including the immovable assets, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable and the concerned authorities having jurisdiction over the assets shall endorse and record the name of Transferee Company in its record so as to facilitate the implementation of the Scheme and vesting of the Undertaking of the Transferor Company in the Transferee Company without hindrance from the Appointed Date. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold properties shall pursuant to Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable and the provisions of this Scheme, without any further act or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company so as to become as and from the Appointed Date, the right, title and interest of the Transferee Company.
- 3.1.2.3 In respect of movable assets, other than those specified in Clause 3.1.2.1 above, including all businesses through / authorised persons /clients and related rights & obligations, undertakings / records / know your customer documents, sundry debtors, outstanding loans, advances recoverable in cash or in kind or for value to be received, bank balances, cash balances and deposits with Government, Semi Government, local and other authorities, bodies and customers, etc., the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable, without requiring any deed or instrument of conveyance for the same and further it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, loans, advances or deposits have arisen in order to give effect to the provisions of this Clause. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to such person, debtor or deposittee that pursuant to the High Court of Karnataka or the National Company Law Tribunal having sanctioned the Scheme, the said person, debtor or deposittee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 3.1.2.4 All patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses, privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Company or to which the Transferor Company is entitled or which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, colour schemes,

utility models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.

3.1.2.5 All the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.

3.1.2.6 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme and receipt of third party consents if necessary, all contracts, deeds, bonds, agreements, arrangements including but not limited to all direct and indirect tax exemptions and/or deferral benefits and/or any other direct or indirect tax benefits and all other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall, wherever and if necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which Transferor Company will also be a party in order to give formal effect to the provisions of this Clause. Similarly, the exemption privilege and benefits under direct and indirect taxes availed/ enjoyed currently by the Transferor Company shall continue to be available in the hands of the Transferee Company unhindered even after/upon coming into effect of this Scheme.

3.1.2.7 All the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.

3.1.3 It is clarified that all assets and receivables whether contingent or otherwise of the Transferor Company as on start of business on the Appointed Date whether provided for or not, in the books of accounts and all other assets or receivables which may accrue or arise on or after the Appointed Date but which relate to the period up to the Appointed Date shall be the assets and receivables or otherwise as the case may be of the Transferee Company.

3.1.4 The aforesaid transfer/vesting, shall be, subject to the existing validly created charge/mortgage/hypothecation over the said assets or any part of it, provided however, that any reference in any security documents to which the Transferor Company is a party or to such assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company or obligations to the secured creditors of the Transferor Company shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clause 3.1.1 of the Scheme to the end and intent that such security, mortgage and/or charge shall not extend or deemed to extend to any of the assets or to any of the other units or divisions or undertakings of the Transferee Company, unless specifically and in writing agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company either on *pari passu* basis or otherwise, as may be agreed to by the Transferee Company and the secured creditors. The secured creditors of the Transferee Company shall continue to have a charge over the assets of the Transferee Company and such charge shall not extend to the assets of the Transferor Company, transferred to the Transferee Company pursuant to the Scheme. In respect of the floating charges created by the Transferor Company in favour of its lenders for all the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Company from the Appointed Date till the Effective Date shall be deemed to be the security and shall be available as security for the loans, cash credits and other working capital facilities, both fund based and non-fund based, which were sanctioned by the lenders of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company, subject to the limits sanctioned by the lenders.

## 3.2 **TRANSFER OF LIABILITIES**

Upon coming into effect of the Scheme and with effect from the Appointed Date:

- 3.2.1 All secured and unsecured debts, (whether in Rupees or in foreign currency) all liabilities, duties and obligations of the Transferor Company (hereinafter referred to as the “**said Liabilities**”) shall also be and stand transferred or be deemed to be and stand transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and Section 232 of the Companies Act, 2013 as may be applicable, so as to become as and from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company such that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. Provided always that nothing in this Clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and be vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security thereof after the Appointed Date or otherwise. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds of confirmation in favour of the creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company were parties or any writings, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 3.2.2 Any loans or other obligations due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability or debt in that behalf. It is clarified that all debts, liabilities, duties, responsibilities and obligations of the Transferor Company as on start of business on the Appointed Date whether provided for or not in the books of accounts and all other liabilities etc which may accrue or arise on or after the Appointed Date but which relates to the period up to the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company.
- 3.2.3 All the loans advanced and other facilities sanctioned to the Transferor Company by its bankers/financial institutions prior to the Appointed Date which are partly drawn/utilised shall be deemed to be the loans/advances sanctioned to the Transferee Company and the said loans and advances shall be drawn/utilised either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans/advances and/or other facilities so drawn by the Transferor Company shall on the Effective Date be treated as the advances and loans made available to the Transferee Company and any balance in the said accounts shall be transferred to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed as and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 3.2.4 The Transferee Company may at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds of confirmation, in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which they are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on their part to be carried out or performed.
- 3.2.5 It is hereby clarified that merely the increase in the size and turnover of the Transferee Company subsequent to this Scheme shall not have the effect of increasing any liability or penalty on the Transferee Company for any matters that arise prior to the Appointed Date.
- 3.2.6 Upon coming into effect of the Scheme, benefits of all taxes paid including any advance tax and tax deductions right to carry forward and set off unabsorbed losses, unused tax credits, tax deductions and depreciation by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to be paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company has paid or incurred the same and shall be deemed to be the rights/claims of the Transferee Company.
- 3.2.7 The existing social security or labour welfare schemes, and pension and / or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.
- 3.2.8 The Transferee Company, if necessary shall take steps for suitable alterations in the Memorandum of Association and Articles of Association so as to enable it to implement this Scheme as may be required.



### **3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS.**

Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the amalgamation, shall be, in full force and effect, against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Clause, if so required or it becomes necessary.

### **3.4 TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY:**

All taxes, levies, cess etc. (whether direct or indirect) that might have been paid by the Transferor Company (whether before the Appointed Date or after the Appointed Date) during the period when the merger has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

### **3.5 TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME-TAX ACT, 1961**

3.5.1 This Scheme has been drawn up to comply and come within the definition and conditions relating to “Amalgamation” as specified under Section 2(1B) and Section 47 of the Income-tax Act, 1961.

3.5.2 If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said sections of the Income-tax Act, 1961, at a later date, including resulting from an amendment of any Applicable Law or for any other reason whatsoever, the Scheme shall stand modified/ amended to the extent determined necessary to comply and come within the definition and conditions relating to “Amalgamation” as specified in the Income-tax Act, 1961. In such an event the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

## **4. TRANSFER OF EMPLOYEES**

On the Effective Date:

4.1 The services of all the employees of the Transferor Company shall stand transferred to the Transferee Company on the terms and conditions not less beneficial to such employees than those subsisting with reference to the Transferor Company. The position, rank, and designation of the employees would be decided by the Transferee Company.

4.2 The services of such employees shall not be treated as broken or interrupted for the purposes of bonus, provident fund, gratuity, superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the respective Transferor Company, as the case may be.

4.3 Subject to Clause 4.1, the Transferee Company shall have the right to transfer such employees to any unit, division, profit/cost centre or department of the Transferee Company situated anywhere in India or abroad if warranted and as may be deemed necessary from time to time.

4.4 In regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company and if necessary the names of the aforesaid funds or schemes will be suitably changed. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, fund, trusts, etc. In the event that the trustees/funds are constituted as holders of any securities, trust funds of trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Company, such funds/securities/ monies shall be transferred by such funds/trustees of the trusts of the Transferor Company to such funds/trustees of the trusts of the Transferee Company as may be existing or set up for the same purpose and object and such transfer shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the Applicable Laws and relevant stamp legislation as applicable. In such case, appropriate Deed(s) of Trust and/or documents for transfer of trust properties shall be executed simultaneously upon the sanction of the Scheme in accordance with the terms hereof by the trustees in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose such funds or schemes of the Transferor Company may be continued and/or amalgamated with and/or

transferred to the similar funds/schemes of the Transferee Company, if the Transferee Company considers so desirable or deemed fit for the smooth administration, management, operation and uniformity of such funds/schemes so however, that such funds/schemes do not become less favourable to the employees of the Transferor Company with reference to those on the date preceding the Effective Date. The trustees including the Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company.

- 4.5 It is clarified that with regard to such employees of the Transferor Company who have ceased to be the employees of the Transferor Company on account of reasons other than any disciplinary action that may have been taken against such employees by the Transferor Company, from the Appointed Date, the Transferee Company shall assume all the responsibilities and obligations of the Transferor Company towards such employees until the said responsibilities and obligations stand duly discharged in law.

## **5. CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

- 5.1 With effect from the Appointed Date and upto and including the Effective Date:

5.1.1 the Transferor Company shall be deemed to have been carrying on and shall carry on all their business(es) and activity(ies) and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

5.1.2 the Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose off any of its units/undertakings or any part thereof except pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.

5.1.3 all the profits or income accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company shall pursuant to coming into effect of the Scheme for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure, as the case may be, of the Transferee Company.

5.2 Save as provided for in this Scheme, the Transferor Company shall not make any change in its capital structure either by any increase (by fresh issue of equity shares whether by way of public issue, private placement, on a rights basis, or issuance of bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the operation of the Scheme, except by mutual consent of the respective Boards of Directors of the Transferor Company and Transferee Company. The Transferor Company shall not change its shareholding in any manner except by the consent of the Board of Directors of the Transferee Company.

5.3 The Transferor Company shall also be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authority, as are necessary for such consents, approvals and sanctions which the Transferee Company may require.

5.4 The Transferee Company shall carry on the business of the Transferor Company after the Effective Date.

## **6 CONCLUDED MATTERS**

The transfer and vesting of the assets and the liabilities in the Transferee Company and the continuance of contracts or proceedings by or against the Transferee Company as provided in this Scheme shall not affect any contract or proceedings relating to the assets and the liabilities, fully performed and completed by the Transferor Company before the Appointed Date and the Transferee Company accepts and adopts all such acts, deeds, matters and things done and or executed by the Transferor Company in this regard.

## **7 DISOLUTION OF THE TRANSFEROR COMPANY**

7.1 On the Scheme becoming effective, Transferor Company shall stand dissolved without being wound up without any further acts by parties and its names shall be struck off from the list of Companies maintained by the Registrar of Companies, Karnataka.

## **8 CONSIDERATION**

8.1 Upon this Scheme becoming effective and in consideration for merger of the Transferor Company with the Transferee Company, including the transfer and vesting of the Undertaking in the Transferee Company, the Transferee Company shall, without any application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to

the members of the Transferor Company whose names appear in the register of members, on the Effective Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as the case may be recognized by the Board of Directors of the Transferee Company in the following proportion viz:

***For equity shareholders of the Transferor Company:***

*“For every 1 equity share, each having a face value of Rs. 10/- each in the Transferor Company, 21 fully paid up equity shares, each having a face value of Rs. 10 each, of the Transferee Company “.*

(New equity shares to be issued as above are hereinafter referred to as “**New Equity Shares**”).

- 8.2 No coupons shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the equity shareholders of the Transferor Company at the time of issue and allotment of equity shares under Clause 8.1. In case any equity shareholder’s holding in the Transferor Company is such that the shareholder becomes entitled, pursuant to Clause 8.1 above, to a fraction of equity share of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot equity shares accordingly.
- 8.3 The New Equity Shares shall be issued only in dematerialized form to be credited to the demat account as may be notified by the equity shareholders of the Transferor Company. The New Equity Shares of the Transferee Company shall be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, on which the shares of the Transferee Company are listed as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertakings as may be necessary in accordance with the Applicable Laws or regulations for complying with the formalities of the said Stock Exchanges.
- 8.4 The Transferee Company shall, if and to the extent required, apply for and obtain all necessary approvals from Appropriate Authorities for the issue and allotment by the Transferee Company of New Equity Shares to the equity shareholders of the Transferor Company under the Scheme.
- 8.5 Approval of this Scheme by the equity shareholders of the Transferor Company and by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 62 and Section 42 of the Companies Act, 2013 and other relevant and applicable provisions of the Companies Act, 2013 and rules made thereunder for the issue and allotment of New Equity Shares issued by the Transferee Company to the equity shareholders of the Transferor Company, as provided in this Scheme.

## **9 ACCOUNTING TREATMENT**

- 9.1 The Transferee Company shall, upon the Scheme becoming operative, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme in accordance with the applicable accounting standards as per Indian Accounting Standards (Ind AS).

## **10 COMBINATION OF AUTHORISED SHARE CAPITAL**

- 10.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including filing of statutory forms with the Registrar of Companies and payment of stamp duty and fees payable to the Registrar of Companies, by the authorized share capital of the Transferor Company as on the Effective Date, as such fees and duties in respect of such authorized share capital of the Transferor Company have already been paid by the Transferor Company, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective.
- 10.2 The Memorandum of Association of the Transferee Company (clause relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to Section 232 of the Companies Act, 2013 as may be applicable read with Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and no payment of any extra stamp duty and / or fee shall be made by the Transferee Company for increase in the authorized share capital to that extent.

## **11 PENDING LEGAL PROCEEDINGS**

If any suit, appeal or other proceeding of whatever nature by or against Transferor Company be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued,

prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. Therefore, upon this Scheme coming into effect, all legal actions, suits, writs or other proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company, as the case may be, as effectually as if the same had been pending and/or arising by or against the Transferee Company.

## **12 APPLICATION TO THE HONOURABLE HIGH COURT OF KARNATAKA, NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPLICABLE AUTHORITIES**

12.1 The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make applications to the High Court of Karnataka or the National Company Law Tribunal, as applicable, where the registered offices of the Transferee Company and the Transferor Company is situated, for sanctioning this Scheme under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to Section 232 of the Companies Act, 2013 as may be applicable, for an Order or Orders thereof sanctioning this Scheme and for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up under the provisions of the Applicable Law.

## **13 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

13.1 The Transferor Company and Transferee Company by their respective Boards of Directors may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The Transferor Company and Transferee Company by their respective Boards of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

13.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s)/ representative(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

## **14 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

14.1 The Scheme is condition on and subject to:

14.1.1 Approval of the Scheme by the requisite majority of the members and such class of persons of the Transferee Company and the Transferor Company as may be directed by the High Court of Karnataka or the National Company Law Tribunal on applications made for directions under Section 391 of the Companies Act, 1956 and Section 230 of the Companies Act, 2013 as may be applicable.

14.1.2 Consent of secured and unsecured creditors of the Transferee Company and the Transferor Company.

14.1.3 Sanctions and Orders under the provisions of Sections 391 read with Section 394 of the Companies Act, 1956 and Sections 230 to Section 232 of the Companies Act, 2013 as may be applicable, being obtained by the Transferee Company and the Transferor Company from the High Court of Karnataka or the National Company Law Tribunal.

14.1.4 Approval of the Scheme by the Competition Commission of India.

14.1.5 All other sanctions and approvals as may be required by any Applicable Law in respect of this Scheme being obtained.

14.2 It is clarified that the provisions of paragraph I (A) (9) (a) of Annexure I introduced through circular bearing no CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India shall not be applicable to this Scheme.

14.3 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:

14.3.1 Date on which the last of the aforesaid consents, approvals, permissions, resolutions, assignments and orders as mentioned in Clause 14.1 shall be obtained or passed.

14.3.2 Date on which all necessary certified copies of Orders under Sections 391 and 394 of the Companies Act, 1956 and Sections 230 to Section 232 of the Companies Act, 2013 as may be applicable shall be duly filed with the Registrar of Companies, Karnataka.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

**15 OPERATIVE DATE OF THE SCHEME**

It is clarified that the Scheme shall become effective from the Effective Date however it shall be operative from the Appointed Date.

**16 COSTS**

16.1 All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or court’s order including this Scheme or in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company.

**17. EFFECT OF NON RECEIPT OF APPROVAL/SANCTION**

In the event of any of the said sanctions and approvals referred to in Clause 14 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court of Karnataka or the National Company Law Tribunal and/or Order or Orders not being passed as aforesaid before or within such further period or periods as may be agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)) or for any other reason this Scheme cannot be made effective, this Scheme shall stand revoked, cancelled, be of no effect and be null and void. No rights and liabilities shall accrue to or be incurred inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law. Further the Boards of Directors of the Transferor Company and Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up Orders with any authority could have serious financial implication on the Transferor Company and/or the Transferee Company or any of the aforesaid companies. And in case of any of the aforesaid events, each party shall bear their respective costs, charges and expenses in connection with this Scheme.

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Ref: NSE/LIST/94013\_2

November 17, 2016

The Company Secretary  
Coffee Day Enterprises Limited,  
23/ 2, Coffee Day Square,  
Vittal Mallya Road,  
Bangalore - 560001

**Kind Attn.: Mr. Sadananda Poojary**

Dear Sir,

**Sub: Observation letter for Draft Scheme of Amalgamation of Coffee Day Enterprises Limited (Transferee Company) and Coffee Day Overseas Private Limited (Transferor Company).**

This has reference to draft Scheme of Amalgamation of Coffee Day Enterprises Limited (Transferee Company) and Coffee Day Overseas Private Limited (Transferor Company) submitted by Coffee Day Enterprises Limited vide its letter dated August 18, 2016

Based on our letter reference no Ref: NSE/LIST/87917 submitted to SEBI and pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated November 11, 2016 has given following comments on the draft Scheme of Amalgamation:

*“a. Company shall seek approval of public shareholders and ensure that the Scheme of arrangement shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.*

*“b. The Company shall duly comply with various provisions of the Circulars.”*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (LODR) Regulations 2015, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 17, 2016, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circular upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme

1.





- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

Kautuk Upadhyay  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

DCS/AMAL/ST/IP/613/2016-17  
November 16, 2016

The Company Secretary  
**Coffee Day Enterprises Ltd**  
23/ 2, Coffee Day Square,, Vittal Mallya Road,  
Bengaluru, Karnataka ,560001

Sir/Madam,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited.**

We are in receipt of the Draft Scheme of Arrangement between Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated November 15, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nitin Pujari  
Manager



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# COFFEE DAY ENTERPRISES LIMITED

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## SWAP RATIO REPORT

July  2016

VISHNU RAM & CO.,  
CHARTERED ACCOUNTANTS  
BANGALORE

## Glossary of terms

<b>Capex</b>	Capital Expenditure
<b>CAPM</b>	Capital Asset Pricing Model
<b>CDEL</b>	Coffee Day Enterprises Limited
<b>CDGL</b>	Coffee Day Global Limited
<b>CDOPL</b>	Coffee Day Overseas Private Limited
<b>CoCo</b>	Comparable Companies Multiple
<b>DCF</b>	Discounted Cash Flow
<b>EBIT</b>	Earnings Before Interest and Tax
<b>EBITDA</b>	Earnings Before Int., Tax, Depreciation and Amortization
<b>Ke</b>	Cost of Equity
<b>Mn</b>	Million
<b>NAV</b>	Net Asset Value
<b>P/E</b>	Price to Earning, multiple
<b>WACC</b>	Weighted Average Cost of Capital

## SWAP RATIO REPORT

### 1. Introduction:

This report regarding Swap Ratio is prepared in the context of proposed amalgamation of Coffee Day Overseas Pvt. Ltd. with Coffee Day Enterprises Ltd. A scheme of amalgamation under the provisions of sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of Companies Act, 2013 is being considered by these two companies and under the scheme, shareholders of Coffee Day Overseas Private Limited will receive, in exchange for the shares held by them in CDOPL, equity shares of Coffee Day Enterprises Limited. For this purpose, the management of CDEL has requested us to suggest a swap ratio. Accordingly, we have prepared this report which contains details of the exercise undertaken by us to suggest the fair number of equity shares of Coffee Day Enterprises Limited that may be issued to the shareholders of Coffee Day Overseas Pvt. Limited under the proposed scheme of amalgamation.

### 2. Coffee Day Overseas Pvt. Ltd – the transferor company

2.1 It is the transferor company which is going to amalgamate in the proposed scheme of amalgamation. It was incorporated on 21-3-2001 under the provisions of Companies Act, 1956. Its CIN is U55101KA2001PTC028792. Way2Wealth Advisors Pvt. Ltd was its original name. It was first changed to R.G. Advisors Pvt. Ltd. and then to Coffee Day Overseas Pvt. Ltd. It was formed with the object of carrying on the business of setting up of cafes, hotels, restaurants, cyber cafes; manufacturing, distributing and dealing in milk and milk products; manufacturing, distributing and dealing in bread, confectionary and

other bakery items; cultivating and dealing in agricultural, horticultural produces, dairy and farm produces, food grains, cereals, seeds, edible oils from vegetables, food products and to undertake import and export of all kinds and types of food products. However, except acting as an agent in connection with insurance services and coffee trading, it has not pursued its other objects. Accordingly, its revenue is confined to small amounts of commission received from such agency business. Recently, it has acquired some investments in the form of equity shares in another company by name Coffee Day Global Limited.

2.2 Its registered office is situated at No. 23/2, Coffee Day Square, Vittal Mallya Road, Bengaluru -560 001.

2.3 It is managed by a Board of Directors comprising of the following:

Sl. No.	Name	DIN
1.	Venkatesh .M.	00113160
2.	Manjunath .K.M.	05211379

#### 2.4 **Share capital:**

It is authorized to raise capital of Rs. 25 lakhs by issuing 2.5 lakh equity shares of Rs. 10. All the issuable shares have already been issued and its paid up capital stands at Rs. 25 lakhs. The entire outstanding shares are held by a public trust by name 'Coffee Welfare Trust'.

#### 2.5 **Financial Profile**

Its financial position, based on its Balance Sheet as at 31<sup>st</sup> July, 2016, reflected total assets of Rs. 78.24 lakhs and total liabilities of Rs. 62 lakhs. Accordingly, it had a net worth of Rs. 16.24 lakhs.

Its financial results, based on the Statement of Profit and Loss for the period ending 31<sup>st</sup> July, 2016 reflected a small profit of Rs. 1.22 lakhs.

### 3. **Coffee Day Enterprises Limited – the transferee company**

3.1 It is the transferee company with which Coffee Day Overseas Private Limited, the transferor company, will amalgamate in the proposed scheme of amalgamation. It was incorporated on 20<sup>th</sup> June, 2008, under the provisions of the Companies Act, 1956. It's CIN is L55101KA2008PLC046866. At the time of incorporation, it was known as Coffee Day Holdings Co. Pvt. Ltd. Its name was first changed to Coffee Day Resorts Pvt. Ltd. and then to Coffee Day Enterprises Private Limited. Thereafter, it was converted from 'private' to 'public'. It was incorporated with the objects of carrying on the business of running holiday resorts, boarding and lodging houses, hotels, restaurants, cafes, villas and other types of accommodation; undertaking importing, exporting, processing, trading in coffee and allied products. Today, it is more of a holding company with investments in Coffee Day Global Limited, Tanglin Developments Limited, Way2Wealth Securities Private Limited and Coffee Day Hotels & Resorts Private Limited. Through its direct and indirect subsidiaries, it has invested into the businesses of coffee, technology – IT/ITES, hospitality, technology parks, logistics and financial services. Last year it went public and got its shares listed for trading on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

3.2 Following is the list of its directors.

Sl. No.	Name	DIN
1.	V.G. Siddhartha	00063987
2.	Malavika Hegde	00136524
3.	Sanjay Omprakash Nayar	00002615
4.	S. V. Ranganath	00323799
5.	Dr. Albert Hieronimus	00063759
6.	M.D. Mallya	01804955

3.3 Share Capital:

Its authorized capital is Rs. 274.08 crores consisting of 27.06 crores equity shares of Rs.10 each and 35 lakh 1% compulsorily convertible preference shares of Rs 10 each. The promoters hold 10,82,67,296 equity shares representing 52.56% of the outstanding shares and public and others hold 9,77,34,423 equity shares, representing the remaining 47.44% of the outstanding shares.

3.4 The transferee company, together its direct and indirect subsidiaries is often referred to as the Coffee Day Group. The group is professionally managed.

3.5 Financial profile

The group's financial position, based on its consolidated audited Balance Sheet as at 31-3-2016 reflected total group assets of Rs.7,062.35 crores and total group liabilities of Rs. 4,911.58 crores and a group net worth of Rs. 2,150.77 crores.

The group's financial performance, based on its audited Statement of Profit and Loss for the year ending 31-3-2016 reflected a loss of Rs. 7.53 crores;

#### 4. **METHODOLOGY ADOPTED FOR DETERMINING THE SWAP RATIO**

Number of shares of Coffee Day Enterprises Limited, that are required to be issued to the shareholders of Coffee Day Overseas Private Limited, in exchange for every share held by them in Coffee Day Overseas Private Limited, consequent upon the amalgamation of the latter with the former, is the swap ratio for the proposed amalgamation. It is determined as the ratio between the fair value of one equity share of Coffee Day Overseas Private Limited and the fair value of one equity share of Coffee Day Enterprises Limited. Accordingly, first of all, fair value of equity shares of both, Coffee Day Overseas Private Limited and Coffee Day Enterprises Limited are determined. Thereafter, by dividing the former by the latter, the swap ratio is arrived at.

5. There are several popular methods available for valuing the shares of a company. Some of the more popular methods are Discounted future free cash flow method (DCF method), Dividend discount method, Capital Assets Pricing Method, EPS linked to P/E multiple method, NAV linked to Book value multiple method, Break-up value method, Average market price method, EBIDTA multiple method, market price method, etc.

5.1 **DCF Method:** Discounted Cash Flow is a financial tool, which is generally used to determine the attractiveness of a given investment based on the cost of capital invested. With certain suitable modifications, this method can also be used to estimate the value of an enterprise based on the present value of the estimated future free cash flows. Generally, the future free cash flows will be the sum total of the operating profits, depreciation and amortization of goodwill as reduced by the estimated out flows on account of capital expenditure, taxes and changes in working capital. The estimated future free cash flows are discounted by employing a suitable discount rate to arrive at the present value of such future free cash flows. Discounting factors would generally depend upon the cost of capital to the company. The terminal cash flows are estimated assuming a constant rate of growth in the free cash flows. The total of the present values of the future free cash flows, which are attributable to the owners, is the fair value of the enterprise. The fair value of the enterprise when apportioned over the outstanding shares will give the fair value of each share.

5.2 **Dividend Discount Method:** Under this method, fair value of a share is presumed to be the total of present values of all the future dividends, attributable to the given share.

5.3 **Capital Asset Pricing Method:** Generally, the expected return from an investment is the risk free rate of return as increased by the excess return over the risk free rate of return offered by the particular market in which the investment trades which in turn is geared up by the sensitivity of the investment to the market returns. For example, if it is assumed that the risk free rate of return is 8% per annum and the expected market return is 12% and that we are determining the fair value of a share whose sensitivity to the market is 1.2 times (i.e. historical returns on that investment have been 1.2 times of whatever the market has done), then according to this method that particular share should give a return of 12.8% ( $8\% + 1.2\{12-8\}$ ). Once the expected rate of return on the investment is determined the future free cash flows are discounted by the anticipated rate of return to arrive at a fair value for the proposed investment.



- 5.4 **Earning Per Share (EPS) linked to price to earning (P/E) multiple method:** According to this method the price of a share is the product of its share in the total profits (after tax) of the company and the P/E multiple of the market in which it trades. EPS is obtained by dividing the total earnings (after tax) of the company by the total number of shares outstanding in the company. P/E multiple for a given market is the number obtained by dividing the total market values of all the shares listed for trading in that market by the earnings attributable to those shares. An investor following this method is expected to quote a price for a given share based on his expectation of the rate of return on his investment. For example, an investor expecting a return of 10% on his investment is willing to pay Rs.10/- per rupee of earning in the company. In other words, he is willing to pay 10 times the earnings per share or the P/E multiple is 10. Therefore, if the earning per share of a given company is Rs.5, then the investor is willing to pay 10 times the earnings per share, i.e. Rs.50. This is the fair value of the share according to his method.
- 5.5 **Net Asset Value (NAV) linked to Book value multiple method:** According to this method the price of a given shares is the product of its NAV and Book value multiple of the market in which it trades. Net asset value per share is the value of the net asset of the company allocable to each share in the company. It is obtained by dividing the net asset value of the company by the total number of outstanding shares in the company. Book value multiple for any given market is the number obtained by dividing the total market value of all the shares listed for trading in that market by the total of the book values of such shares. According to this method, an investor will offer certain price for a given share based on a premium to the book value of the shares in the company. Thus, it can be said that the fair value, according to this method, is a measure of the value that the market awards to the shareholders' funds employed in the business.
- 5.6 **Net Asset Value Method:** Under this method, assets of the company are restated to reflect the present market value of such assets. Similarly, the liabilities of the company are also restated to reflect the fair obligation of the company to its creditors. The surplus of the restated value of the assets over the restated value of the liabilities is the amount available to the shareholders. Such a surplus when divided by the number of shares that are outstanding in the company will give the surplus attributable to each share. This is considered as a fair representation of the fair value of such shares.
- 5.7 **EBIDTA Multiple method:** Under this method, a listed company whose product lines/business activities are similar to that of the company whose shares are required to be valued, is identified. Its EBIDTA (earnings before interest, depreciation, tax and amortization) is ascertained from the publicly available data. It could be either trailing EBIDTA or a forward looking EBIDTA. Based on the stock exchange data, its market capitalization, i.e. the product of its market price and the number of its outstanding shares, is also identified. Thereafter, its EBIDTA Multiple is ascertained by dividing the amount of market capitalization by its EBIDTA. This represents, the amount, a well-informed buyer of its shares is willing to pay for every rupee of its EBIDTA. Fair value of all the outstanding shares of any similar company, is determined by multiplying the EBIDTA of such company by the above EBIDTA multiple. The fair value thus determined, when divided by the number of shares that are outstanding, will give the fair value of each of its shares. If the company whose shares are required to be valued is an unlisted entity, then the EBIDTA multiple for the listed entity is suitably discounted to account for the absence of liquidity in the case of unlisted entity before the EBIDTA multiple is used to ascertain the fair value of the shares of the unlisted entity.
- 5.8 **Market Price Method :** This method is used to determine the value of shares of listed entities. When the shares of a company are listed for trading on the stock exchanges and are regularly traded, its market price is the best indicator of its value. However, in order to iron out any spikes or undue dips, the tool of averaging is employed. Accordingly, daily averaging and periodical averaging of the prices is undertaken. Daily averaging is done by considering the high and low of day's prices; periodical averaging is done by taking into account about six month daily averages. This is expected to normalize the price and such normalized price for any given share is taken as its fair value.
- 5.9 It is also a well accepted practice in valuation exercise, to determine the fair value by employing more than one suitable methods of valuation and thereafter apply the averaging tool to smoothen the valuation. Accordingly, the fair value of shares of a given company is determined by employing more than one method listed above and the fair values so arrived at is averaged to determine the final fair value of such shares.

6 **VALUATION OF SHARES OF COFFEE DAY ENTERPRISES LIMITED:**

Its shares are listed for trading on the stock exchanges. Therefore, market price for its shares are readily available. It is fairly reliable as well. Therefore, we have employed the market price method to value its shares. Market prices for its shares are averaged by taking into account its weekly high and low prices for the preceding two weeks' period. Similar exercise is done taking into account the prices during the preceding six months. The higher of the two, i.e. average price for the preceding two weeks and six months period is taken as the fair value of its shares. Based on such working the fair value of its shares works out to Rs. 245.11 per equity share.

7 **Valuation of shares of CDOPL:**

CDOPL's assets are predominantly in the form of its investments in CDGL shares. Accordingly, fair market value CDGL shares determined in accordance with DCF method and net asset value method as is detailed in the subsequent paragraphs is considered for determining the fair value of CDOPL's investment in CDGL shares. Thereafter, net asset value method is used to arrive at the fair value of CDOPL shares. Based on this, fair value of equity shares of CDOPL is determined at Rs. 5,150.38 per share.

8 **Valuation of shares of Coffee Day Global Limited held by CDOPL**

It is an operating company with business interests in all aspects of coffee. It derives its revenue by operating mainly in food and beverage industry. Since it is an operational company, DCF method of valuation is considered to be an appropriate method to determine the value of its shares. The company has provided details of its expected operational revenue in the foreseeable future of seven years and it is expected that the trend is likely to continue with certain growth rate. Based on the estimates provided by the company and by employing a suitable discount rate, the discounted free future cash flow is determined at Rs. 4,329.35 lakhs. For this purpose the discount rate that is applied is 18.19% and it is arrived at as follows;

9. **Discounting Factor:**

The discounting factor or the cost of capital of Mendocino is obtained by using the Capital Assets Price Method. Accordingly, we have used the formula

$$K_e = R_f + \beta(R_m - R_f).$$

Where  $K_e$  is the cost of equity,

$R_f$  is risk free rate of return,

$R_m$  is the expected market rate of return and

$\beta$  is the measure of market risk.

The risk free rate of return is the yield on Government of India 10 year bond, which is at 7.16 %.

Market rate of return is the rate of return expected in an equity market, which is about 16.29%.  $\beta$  is the measure of market risks and for the sector to which the investment belongs.

CDGL is a fairly large company with huge revenues. It belongs to the food and beverages sector. There are comparable listed entities in the food and beverages sector with which CDGL can be compared. Therefore, we thought it appropriate to determine the value based on EBITDA multiple method, as well. For this purpose we have chosen the listed entity Jubilant Foodworks Limited. Its EBITDA multiple is 27.52. Since CDGL is an unlisted entity, we have discounted such multiple to make it suitable for our purpose. Accordingly, a discounted multiple of 16 is considered for this purpose. Based on this, fair value of each share of CDGL is determined at Rs. 174.68.

By averaging the value arrived at under the DCF method and EBITDA multiple method, the final fair value of CDGL shares is arrived at Rs. 209.13.

10 **Swap Ratio:**

Swap ratio for the purpose of amalgamation of CDOL with CDEL is determined by dividing the fair value of shares of CDOL by that of CDEL. Accordingly, the swap ratio works out:

21 (twenty one) equity shares of Rs. 10 each of CDEL for every I (one) equity share of Rs. 10 each of CDOPL.

11. **Scope limitations and Caveats:**

**Scope Limitations:**

This Swap Ratio Report (“the report”) is based on the information provided and representations made to us by the managements of Coffee Day Enterprises Limited, Coffee Day Overseas Private Limited and Coffee Day Global Limited.

This report has been prepared solely for the purpose of assisting the managements of Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited in determining the exchange ratio (swap ratio) for the amalgamation of the former with the latter, as on 31<sup>st</sup> July, 2016 (“Valuation Date”).

The report or any contents herein, shall not be referred to or quoted in any agreement or document, other than in connection with the value of equity shares of Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited for the purpose of determining the swap ration, without our prior consent.

This report is prepared on the basis of sources of information listed in Appendix. We have relied upon the representations provided by the managements referred to above that the information contained in the report is materially accurate and complete, fair in its manner of portrayal and therefore, forms a reliable basis for the valuation.

We have neither checked nor independently verified such information and representations.

Our work did not include either any audit of the financial statements of Coffee Day Enterprises Limited, Coffee Day Overseas Private Limited and Coffee Day Global Limited or validating their financial performances.

The information provided by the managements of Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited is included in this report in good faith and in the belief that such information is neither false nor misleading.

**Caveats:**

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

In arriving at our conclusions, we have applied generally accepted valuation methodologies. We have based our analysis on the historical audited financial statements of Coffee Day Enterprises Limited, Coffee Day Overseas Private Limited and Coffee Day Global Limited for the year ending 31<sup>st</sup> March, 2016 and projections for 7 years up to 31<sup>st</sup> March, 2023 in the case of Coffee Day Global Limited.

Our analysis is based on the business plans drawn up by the management of Coffee Day Global Limited for its business for the projected periods. Any change in the assumptions or methodology used to prepare the projections may significantly impact our analysis and therefore, the valuation. Our analysis will not and cannot be directed to providing any assurance about achievability of the future plans. Since the projections relate to the future, actual results may be different from the projected results because of events and circumstances that may not occur as expected and the differences could be material. For our analysis, we have relied on the published and secondary sources of data, whether or not made available by the management.

We have followed the Net Assets Method (Fair Value) and Market Price Method for determination of the fair value of shares of Coffee Day Overseas Private Limited and Coffee Day Enterprises Limited, respectively.

Valuation is not a precise science and the conclusions arrived at, in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single fair value.

We are not responsible for updating this report and events or transactions occurring subsequent to the date of this report may materially alter the opinion given in this report.

We have provided our opinion on the fair value based on the information available to us and within the scope and constraints of our engagement; others may have a different opinion as the fair value of the equity shares.

We do not hold ourselves responsible or liable for any loss, damages, costs, expenses, or outgoings whatsoever and howsoever caused, incurred, sustained or arising out of errors due to false, misleading or incomplete information or documentations being provided to us or due to any acts, or omissions of any other persons.

## 12 **CONCLUSION:**

Based on what is stated in the report, the exchange or swap ratio for the purpose of amalgamation of Coffee Day Overseas Private Limited with Coffee Day Enterprises Limited is suggested at 21 (twenty one) equity shares of Rs. 10 each of CDEL for every 1 (one) equity share of Rs. 10 each of CDOPL.

Place: Bangalore

Date: 8<sup>th</sup> August, 2016

For Vishnu Ram & Co

Chartered Accountants

(S.Vishnumoorthy)

Proprietor

### Appendix – Sources of Information

For the purposes of this valuation exercise, we have relied on upon the following sources of information:

1. Audited Consolidated financial statements of Coffee Day Enterprises Limited for the historical period;
2. Daily market price of CDEL on BSE, from 1<sup>st</sup> February, 2016 to 31<sup>st</sup> July, 2016.
3. Latest Shareholding pattern of CDEL, CDOPL and CDGL.
4. Audited Consolidated financial statements of CDGL for the year ended 31<sup>st</sup> March, 2016.
5. Projected Financial Statements of CDGL from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2023.
6. Management representation relating to information provided by us.

Based on the information provided by the managements, while arriving at the fair value of equity shares CDEL and CDOPL, we have considered the material events that occurred after 31<sup>st</sup> March, 2016 but before the date of this report.

In addition to review of the above information, we also held discussions with the Managements and other Key management Personnel of CDEL, CDGL and CDOPL from time to time regarding past, current and future business operations, either in oral or written or in soft copy.

For this exercise, we have also relied on published and secondary sources of data whether or not made available by the managements.

## Swap Ratio for Merger

## Valuation of CDGL Shares as on 31st July, 2016

INR

Particulars	Amount Per share
DCF Method	220.90
EBITDA Multiple Method	174.68
<b>Fair Value as on 31st March 2016</b>	<b>197.79</b>
<b>Fair Value as on 31st July 2016</b>	<b>209.13</b>

## CDGL - EBITDA Multiple Method

INR in Lakhs

Particulars	Amount
EBIDTA for FY 2015-16	21,961
Less: Non operating income	(853)
Adjusted EBIDTA for FY 2015-16	<b>21,108</b>
Appropriate EBIDTA multiple	16.00
<b>Enterprise Value</b>	<b>337,721.80</b>
Less: Debt (excluding CCDs)	(39,969)
Add: Cash and Bank Balance	44,595
<b>Equity Value</b>	<b>342,348</b>
Number of shares fully diluted (in Lakhs)	1,960
<b>Value per share - EBITDA Multiple Method</b>	<b>174.68</b>

## Swap Ratio

INR

Particulars	Amount
Fair Value of CDOL share	5,150.38
Fair Value of CDEL share	245.11
<b>Swap ratio</b>	<b>21.01</b>
<b>Swap ratio (rounded)</b>	<b>21.00</b>

## Valuation of CDOPL as on 31st July 2016

INR

Particulars	Amount
Number of CDGL shares with CDOPL	6,178,900
Fair value per share of CDGL (Note 1)	209.13
<b>Fair value of CDGL investment</b>	<b>1,292,162,965</b>
Other Assets/ (Net Liability)	(4,568,939)
<b>Fair value of CDOPL</b>	<b>1,287,594,026</b>
Numbers of shares in CDOPL	250,000
<b>Fair Value per share</b>	<b>5,150.38</b>

## Valuation of CDEL Shares as on 31st July 2016

Particulars	INR Amount Per share
Average of weekly High & Low of Closing Prices for:	
-- Last 2 weeks (A)	245.11
-- Last 6 months (B)	244.24
<b>Fair Value of Share of CDEL (Higher of A or B)</b>	<b>245.11</b>

Submitted to

**Coffee Day Enterprises Limited**

**FAIRNESS OPINION**

*On valuation report provided by*

*Vishnu Ram & Co.*

*(Chartered Accountants)*

*On*

*Scheme of Amalgamation of*

**COFFEE DAY ENTERPRISES LIMITED**

**(TRANSFEREE COMPANY)**

**AND**

**COFFEE DAY OVERSEAS PRIVATE LIMITED**

**(TRANSFEROR COMPANY)**

BY

**M/s SPA CAPITAL ADVISORS LTD.**

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 011-45675585/011-45675558

**Fax: 25572763**

Website: [www.spacapital.com](http://www.spacapital.com)

*“Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth.”*

**August 09, 2016**

To,  
The Board of Directors,  
Coffee Day Enterprises Limited  
No-23/2, Coffee Day Square Vittal Mallya Road,  
Bengaluru 560001

**RE: Fairness Opinion on Valuation Report provided by Vishnu Ram & Co. (Chartered Accountants) for the purpose of scheme of amalgamation of Coffee Day Overseas Private Limited (CDOPL) with Coffee Day Enterprises limited (CDEL).**

## PURPOSE

We have been engaged to give fairness opinion on the report provided by **Vishnu Ram & Co. (Chartered Accountants)** for the purpose of proposed amalgamation of **CDOPL**, having its registered office at **No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001** (i.e. the “Transferor Company”) with **CDEL**, having its registered office at No-23/2, Coffee Day Square Vittal Mallya Road, Bengaluru 560001, under Sections 391- 394 read with Sections 100-103 of the Companies Act, 1956.

The fairness opinion report is required to be submitted to the stock exchanges to facilitate the Companies with Regulation 11, Regulation 37 & Regulation 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015.

## BACKGROUND

### **Coffee Day Overseas Private Limited (Transferor Company):**

The Transferor Company was incorporated on 21st March, 2001 the name Way2wealth Advisors Private Limited as per the provisions of the Companies Act, 1956. Subsequently, the name of the Transferor Company was changed to R.G.Advisors Private Limited from Way2wealth Advisors Private Limited on 02nd December, 2010 and subsequently it was changed to Coffee Day Overseas private Limited on 25th March, 2014 . The Transferor Company is involved in the business of 1. Setting up of Café Chain, Hotels, Restaurants, Cyber Cafes,2. Carry on the Business of Dealing with Milk and Milk Products 3.Carry on the

Business of dealing with Bread and Confectionaries. 4. To Carry on the Business of Cultivation and dealing with agricultural product.

The authorised share capital of CDOPL as on 31<sup>st</sup> July, 2016 is INR 2.5 Mn consisting of 0.25 Mn shares of INR 10/- each Coffee Welfare Trust holds the entire issued and paid share capital of CDOPL consisting of 0.25 Mn shares of INR 10/- each.

**Coffee Day Enterprises Limited (Transferee Company):**

The Transferee Company was incorporated as a private company on 20th June, 2008 under the name Coffee Day Holdings Company Private Limited as per the provisions of the Companies Act, 1956. The name of the Company was changed from Coffee Day Holdings Company Private Limited to Coffee Day Resorts Private Limited on 25th January, 2010, Further it was changed from Coffee Day Resorts Private Limited to Coffee Day Enterprises Private Limited on 06th Day of August, 2014 Subsequently ceased to be a private company and the name wa changed to Coffee Day Enterprises Limited on 21st Day of January 2015. The Transferee Company is involved in the business of 1. Develop and Carry on the Business of Running Holiday resort, Boarding and Lodging houses, hotels, restaurants, cafes, villas, and other types of accommodation. 2. To carry on the Business of Importers, exporters, processors wholesale in coffee and allied products.

CDEL is listed on Bombay Stock Exchange Limited (“BSE”) and National Stock Exchange (“NSE”).

The authorised share capital of CDEL as on 31<sup>st</sup> July, 2016 is INR 2,740.84 Mn consisting of 270.584 Mn shares of INR 10/- each and 3.5 Mn 0.001 CCP of INR 10/- each

The shareholding pattern of CDEL as on 31<sup>st</sup> July, 2016 is as follows:

Category	No of shares	% of Holding
Promoters and Promoters Group	10,82,67,296	52.56
Public and other	9,77,34,423	47.44

## TRANSACTION

We understand that this transaction involves amalgamation of CDOPL into CDEL under the Scheme of Amalgamation pursuant to Sections 391 and 394 read with Sections 100 - 103 of the Companies Act, 1956.

## PURPOSE AND RATIONALE OF THE SCHEME

By this Scheme of Amalgamation, it is proposed to amalgamate the Transferor Company with the Transferee Company, for the purposes of better, efficient and economical management, control and running of the businesses, and for further development and growth of the business of the Transferee Company. The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following, benefits, amongst others, to both companies, their respective members and creditors.

1. The amalgamation will provide significant impetus to the growth of the Transferee Company. The amalgamation will lead to synergies of operations and a stronger and wider capital and financial base for future growth/expansion of the Transferee Company.
2. To economize on administrative and other expenses.
3. To increase the efficiency of combines business by pooling of resources and their optimum utilisation, thereby availing synergies from combines resources.
4. The banks, creditors and institutions, if any, are not affected by the proposed amalgamation as their security is maintained.
5. There shall be impetus and increase in the area of sales, network of the Transferee Company.
6. The combined managerial and technical expertise would enable the Transferee Company to develop a business model that would be competitive and cogent.
7. This will help the Transferee Company to consolidate its stake in its group company, Coffee Day Global Limited (“CDGL”), and in doing so, to achieve all of the above with respect to the Transferee Company’s dealings with CDGL as well.

## VALUATION APPROACHES USED BY Vishnu Ram & Co.

The following approaches have been used by **Vishnu Ram & Co. (Chartered Accountants)** for arriving at the exchange ratio of equity shares for the merger of CDOPL with CDEL:

**CDEL:** Since CDEL is a listed company, higher of the following:

- Average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- Average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date.

**CDOPL:** Adjusted Net assets method has been used by replacing the book value of its investment into CDGL with its fair value as on date of valuation.

**CDGL: Following Methods have been used for computing the fair value of CDGL:**

- Income Approach : Discounted Cash Flow Method
- Market Approach: Comparable Companies Multiple

## CONCLUSION

Pursuant to the Scheme of Amalgamation and Valuation Report provided by **Vishnu Ram & Co. (Chartered Accountants)**; The share exchange ratio for the purposes of Scheme of Amalgamation would be as under:

**“21 (Twenty One) Equity Shares of INR 10 each of CDEL for every 1 (One) Equity Share of INR 10 each of CDOPL”.**

On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, the swap ratio determined is fair and reasonable to the holders of equity shares of CDOPL.

**Disclaimer:** *The Final Report has been prepared for the internal and exclusive use of the Board of Directors of CDEL (the “Board of Directors”) in support of the decisions to be taken by them. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by CDEL. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which CDEL, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which CDEL intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. The Final Report and the Opinion concern exclusively for the purpose of proposed amalgamation and do not constitute an opinion by SPA as to the absolute value of the shares of CDEL.*

**For SPA Capital Advisors Limited**

**(Sourabh Garg)**  
Vice President

**(Khushboo Tanwar)**  
Manager



**Complaints Report for the Scheme of Amalgamation of Coffee Day Enterprises Limited (Transferee Company) and Coffee Day Overseas Private Limited (Transferor Company)**

**Part A**

S.NO	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock exchanges	Nil
3.	Total Number of complaints/ comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

**Part B**

Sr. No	Name of complainant	Date of Complaint	Status (Resolved/pending)
	NA	NA	NA

*For Coffee Day Enterprises Limited*

*Sd/-*

*Sadananda Poojary*

*Membership No: F5223*

*Company Secretary & Compliance Officer*

*Place: Bangalore*

*Date: 08<sup>th</sup> September, 2016*

**Report of the Board of Directors on the Draft Scheme of Amalgamation (“Scheme”) of Coffee Day Overseas Private Limited (“Transferor Company”) with Coffee Day Enterprises Limited (“Transferee Company”).**

The Company has placed before the Board of Directors, the Draft Scheme of Amalgamation of Coffee Day Overseas Private Limited (“Transferor Company”) with Coffee Day Enterprises Limited (“Transferee Company”).

The following documents were placed before the Board of Directors for their consideration and approved the following:

- a. Scheme of Amalgamation of the Transferor Company with the Transferee Company;
- b. Memorandum of Association and Article of Association of the Companies;
- c. Audited accounts of Companies as on March 31, 2016;
- d. Valuation Report dated 08.08. 2016, issued by M/s Vishnu Ram & Co, Chartered Accountants recommending the 1:21 as Share Entitlement Ratio for the Amalgamation of the Transferor Company with the Transferee Company.
- e. Fairness Opinion dated 09.08.2016 issued by SPA Capital Advisors Limited, Merchant Banker on 1:21 as Share Entitlement Ratio for the Amalgamation of the Transferor Company with the Transferee Company.

**Report**

1. Based on review of the Draft Scheme of Amalgamation between the Transferor Company and the Transferee Company, Valuation Report dated 08.08. 2016, issued by M/s Vishnu Ram & Co, Chartered Accountants and the Opinion dated 09.08. 2016 issued by SPA Capital Advisors Limited, the Board of Directors believe that the Scheme of Amalgamation and the 1:21 Share Entitlement Ratio is fair and reasonable.
2. The Board of Directors observe that no issues or difficulties regarding the valuation has been mentioned in the Valuation Report dated 08.08. 2016, issued by M/s Vishnu Ram & Co.
3. The Draft Scheme of Amalgamation relates to transfer of the entire business of the Transferor Company including its assets and liabilities to the Transferee Company. Upon the Scheme becoming effective, the shareholders of the Transferor Company shall be allotted shares in the Transferee Company.
4. The proposed Scheme of Amalgamation does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Transferee Company to any additional shares.

5. The effect of the proposed Scheme of Amalgamation on the shareholders and creditors of the Company would be as follows.

Effect of the compromise or arrangement on:	
(a) key managerial personnel;	No impact
(b) directors;	No impact
(c) promoters;	The shareholding of the promoters will get diluted by 1.31%
(d) non-promoter members;	The shareholding of the non-promoter members will increase by 1.31%
(e) depositors;	Not applicable
(f) creditors;	No impact
(g) debenture holders;	No impact
(h) deposit trustee and debenture trustee;	No impact
(i) employees of the Company	No impact

\*The % change has been calculated based on shareholding as on December 31, 2016.

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mr. V G Siddhartha**

**Chairman and Managing Director**

**DIN: 00063987**

**Sd/-**

**Mrs Malavika Hegde**

**Director**

**DIN: 00136524**

Place: Bengaluru

Date: 03.02.2017

Statement of unaudited standalone financial results for the quarter and half-year ended 30 September 2016 (Rs in Million except per share data)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2016	30 June 2016	30 September 2015	30 September 2016	30 September 2015	31 March 2016
		Unaudited	Unaudited	Unaudited*	Unaudited	Unaudited*	Unaudited*
1	<b>Income from operations</b>						
	a) Revenue from operations, net	61.53	58.58	67.70	120.11	95.21	303.85
	b) Other operating income	47.62	39.69	23.78	87.31	113.50	183.35
	<b>Total Income from operations (a+b)</b>	<b>109.15</b>	<b>98.27</b>	<b>91.48</b>	<b>207.42</b>	<b>208.71</b>	<b>487.20</b>
2	<b>Expenses</b>						
	a) Purchase of stock in trade	39.91	29.96	48.56	69.87	48.56	207.06
	b) Employee benefit expenses	17.01	15.27	14.20	32.28	28.06	59.16
	c) Depreciation and amortisation expenses	1.36	1.30	2.25	2.66	3.48	4.68
	d) Advertisement expenses	1.39	4.22	30.23	5.61	92.79	96.31
	e) Other expenses	14.93	16.29	10.39	31.22	23.20	67.16
	<b>Total Expenses (a + b + c + d + e)</b>	<b>74.60</b>	<b>67.04</b>	<b>105.63</b>	<b>141.64</b>	<b>196.09</b>	<b>434.37</b>
3	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>34.55</b>	<b>31.23</b>	<b>(14.15)</b>	<b>65.78</b>	<b>12.62</b>	<b>52.83</b>
4	Other income	9.06	3.75	3.72	12.81	10.82	111.09
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>43.61</b>	<b>34.98</b>	<b>(10.43)</b>	<b>78.59</b>	<b>23.44</b>	<b>163.92</b>
6	Finance costs	308.35	307.67	460.50	616.02	1,415.52	2,230.99
7	<b>Loss from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(264.74)</b>	<b>(272.69)</b>	<b>(470.93)</b>	<b>(537.43)</b>	<b>(1,392.08)</b>	<b>(2,067.07)</b>
8	Exceptional Items	-	-	-	-	-	-
9	<b>Loss from ordinary activities before tax (7-8)</b>	<b>(264.74)</b>	<b>(272.69)</b>	<b>(470.93)</b>	<b>(537.43)</b>	<b>(1,392.08)</b>	<b>(2,067.07)</b>
10	Tax expense, net	-	-	-	-	-	-
11	<b>Net loss from ordinary activities after tax (9-10)</b>	<b>(264.74)</b>	<b>(272.69)</b>	<b>(470.93)</b>	<b>(537.43)</b>	<b>(1,392.08)</b>	<b>(2,067.07)</b>
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	<b>Net loss for the period (11-12)</b>	<b>(264.74)</b>	<b>(272.69)</b>	<b>(470.93)</b>	<b>(537.43)</b>	<b>(1,392.08)</b>	<b>(2,067.07)</b>
14	Other comprehensive income (net of tax)	(0.09)	(0.09)	(0.09)	(0.18)	(0.18)	(0.36)
15	<b>Total comprehensive loss (13+14)</b>	<b>(264.83)</b>	<b>(272.78)</b>	<b>(471.02)</b>	<b>(537.61)</b>	<b>(1,392.26)</b>	<b>(2,067.43)</b>
16	Paid-up equity share capital (Face value of Rs. 10 per share)	2,060.02	2,060.02	1,709.41	2,060.02	1,709.41	879.13
17	Equity per share (EPS) (not annualised)						
	(a) Basic (Rs)	(1.29)	(1.32)	(2.94)	(2.61)	(8.70)	(12.98)
	(b) Diluted (Rs)	(1.29)	(1.32)	(2.94)	(2.61)	(8.70)	(12.98)

\* Refer note 5

See accompanying notes to the financial results

## Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866

**COFFEE  
DAY**

Registered office: 23/2, Coffee Day Square, Vittal Mallya Road, Bengaluru 560 001

Standalone statement of assets and liabilities as at 30 September 2016		(Rs in Million)
Particulars	As at	
	30 September 2016	
	Unaudited	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		55.28
Financial assets:		
Investments		20,003.50
Deposits and other financial assets		36.81
Income tax assets (net)		23.24
Other non-current assets		2.51
<b>Total non-current assets</b>		<b>20,121.34</b>
<b>Current assets</b>		
Financial assets		
Trade receivables		7.27
Cash and cash equivalents		36.74
Balance other than cash and cash equivalents		127.10
Loans		6,999.54
Other financial assets		2.27
Other current assets		0.93
<b>Total current assets</b>		<b>7,173.85</b>
<b>Total assets</b>		<b>27,295.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital		2,060.02
Other equity		16,259.71
<b>Total equity</b>		<b>18,319.73</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings		6,957.58
Other financial liabilities		519.74
Long-term provisions		4.48
<b>Total non-current liabilities</b>		<b>7,481.80</b>
<b>Current liabilities</b>		
Financial liabilities		
Trade Payables		6.77
Other financial liabilities		1,474.14
Other current liabilities		12.75
<b>Total current liabilities</b>		<b>1,493.66</b>
<b>Total equity and liabilities</b>		<b>27,295.19</b>

**Coffee Day Enterprises Limited**

CIN: L55101KA2008PLC046866

Registered office: 23/2, Coffee Day Square, Vittal Mallya Road, Bengaluru 560 001



Statement of standalone segment wise revenue and results for the quarter and half- year ended 30 September 2016

**Segment Information**

Based on the "management approach" as defined in Ind AS 108, "Operating Segments", the Chief Operating Decision Maker (CODM) evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Coffee trading, Hospitality and Investment operations as its operating segments.

*(Rs in Million)*

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2016	30 June 2016	30 September 2015	30 September 2016	30 September 2015	31 March 2016
		Unaudited	Unaudited	Unaudited*	Unaudited	Unaudited*	Unaudited*
1	<b>Segment revenue</b>						
	a) Coffee trading	42.12	31.20	48.92	73.32	48.92	217.17
	b) Hospitality	25.49	34.15	22.78	59.64	54.95	115.00
	c) Investment operation	47.62	39.69	23.78	87.31	113.49	183.35
	<b>Total Income from operations, gross</b>	<b>115.23</b>	<b>105.04</b>	<b>95.48</b>	<b>220.27</b>	<b>217.36</b>	<b>515.52</b>
	Less: Taxes	6.08	6.77	4.00	12.85	8.65	28.32
	<b>Total Income from operations, net</b>	<b>109.15</b>	<b>98.27</b>	<b>91.48</b>	<b>207.42</b>	<b>208.71</b>	<b>487.20</b>
2	<b>Segment results</b>						
	a) Coffee trading	0.35	0.40	0.36	0.75	0.36	0.41
	b) Hospitality	6.33	8.76	5.96	15.09	17.04	22.12
	c) Investment operation	37.40	31.71	15.48	69.11	98.15	154.41
	<b>Total</b>	<b>44.08</b>	<b>40.87</b>	<b>21.80</b>	<b>84.95</b>	<b>115.55</b>	<b>176.94</b>
	Less: (i) Finance costs	(308.35)	(307.67)	(460.50)	(616.02)	(1,415.52)	(2,230.99)
	(ii) Depreciation	(1.36)	(1.30)	(2.25)	(2.66)	(3.48)	(4.68)
	(iii) Other unallocable expenses	(8.17)	(8.34)	(33.70)	(16.50)	(99.45)	(119.43)
	Add: (iv) Other income	9.06	3.75	3.72	12.81	10.82	111.09
	<b>Loss before tax</b>	<b>(264.74)</b>	<b>(272.69)</b>	<b>(470.93)</b>	<b>(537.43)</b>	<b>(1,392.08)</b>	<b>(2,067.07)</b>

\* Refer note 5

**Notes to the segment information:**

Since, the information about segment assets and segment liabilities are not provided to the CODM for his review, the Company has not presented such information as a part of its segment disclosure which is in accordance with the requirements of Ind AS 108.

**Notes :**

- 1 The Statement of unaudited standalone financial results ("Statement") of Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited) ('the Company') for the quarter and half year ended 30 September 2016 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 14 November, 2016.
- 2 The figures for the quarter and half year ended 30 September 2016 was subjected to 'Limited Review' by Statutory Auditors of the Company. The review report of the Statutory Auditors is being filed with Bombay Stock Exchange and National Stock Exchange and is also available on the Company's website www.coffeeday.com.
- 3 During the previous year ended 31 March 2016, the Company has completed the initial public offer (IPO) and raised a total capital of Rs. 11,500 million by issuing 35,060,975 equity shares of Rs 10 each at a premium of Rs 318 per share. The equity shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange effective 2 November 2015. The proceeds from IPO is Rs.10,738.63 million (net of issue expenses).

Details of utilisation of IPO proceeds are as follows:

Objects of the issue as per the prospectus	(Rs in million)		
	To be utilised as per the objectives	Actual utilisation as per the objectives	Unutilised amount as at 30 September 2016
Financing coffee businesses	2,875.10	2,875.10	-
Repayment or prepayment of loans	6,328.00	6,328.00	-
General corporate purposes	1,535.53	1,535.53	-
<b>Total</b>	<b>10,738.63</b>	<b>10,738.63</b>	-

As per the terms set out in the prospectus on "Utilisation of IPO Proceeds", the Company was required to utilise IPO proceeds aggregating Rs 4,100 million towards repayment of existing loan as well as financing of coffee business in one of its subsidiary company, Coffee Day Global Limited. The Company has transferred IPO proceeds to its subsidiary company by investing in Compulsorily Convertible Debentures having face value of Rs 4,100 million.

Of the Rs 4,100 million, the subsidiary company has utilized an amount of Rs. 3,165 million towards repayment/ prepayment of loan and financing of coffee business and the balance unutilised amount of Rs 935 million is maintained in fixed deposits with banks.

- 4 Pursuant to the provisions of Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. However, the unaudited standalone financial results of the Company will be made available on the Company's website www.coffeeday.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 5 These financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and in terms of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and SEBI circular dated 5 July 2016. Consequently, results for the quarter and half year ended 30 September 2015 and previous year ended 31 March 2016 have been restated to comply with Ind AS to make them comparable.

Further, the financial results for the quarter and half year ended 30 September 2015 and year ended 31 March 2016 were neither subjected to limited review nor subjected to audit and are as prepared by the Management after exercising necessary due diligence to ensure a true and fair view of the Company's affairs.

The Company has not presented the statement of assets and liabilities as at 31 March 2016 and the reserves (excluding revaluation reserve) as per the latest audited balance sheet i.e. 31 March 2016, not being mandatory has not been presented. The Company has also prepared a reconciliation of the net loss of the corresponding period under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS. The net loss reconciliation for the quarter and half year ended 30 September 2015 is presented below:

**Reconciliation of the Statement of Profit and Loss as previously reported under IGAAP to Ind-AS**

Net Profit reconciliation - Standalone	Quarter ended	Half year ended	Year ended
	30 September 2015	30 September 2015	31 March 2016
<b>Loss after tax as per previous GAAP</b>	(379.34)	(689.32)	(1,105.17)
Actuarial valuation of defined benefit plans accounted in other comprehensive income	(0.09)	(0.18)	(0.36)
Amortisation of finance cost under effective interest method	17.32	(40.06)	55.17
Redemption premium on debentures and preference shares debited to equity under previous GAAP accounted as finance cost	(106.41)	(663.46)	(1,030.11)
Other adjustments	(2.41)	0.94	13.40
Loss after tax as per Ind AS [A]	(470.93)	(1,392.08)	(2,067.07)
<b>Other comprehensive income (OCI)</b>			
Actuarial gain / (losses) of defined benefit obligation - Gratuity (net of tax)	(0.09)	(0.18)	(0.36)
Sub-total [B]	(0.09)	(0.18)	(0.36)
<b>Total comprehensive income [A+B]</b>	<b>(471.02)</b>	<b>(1,392.26)</b>	<b>(2,067.43)</b>

for and on behalf of Board of Directors of

**V. G. Siddhartha**

**Chairman and Managing Director**

Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)

Place: Bangalore

Date: 14 November 2016

**Annexure-A**

**Coffee Day Enterprises Limited**

**Pre-Scheme Shareholding Pattern:**

<b>COFFEE DAY ENTERPRISES LTD</b>						
<b>Authorised Capital</b>						
		<b>No of Shares</b>		<b>Rs per share</b>	<b>Total</b>	<b>% of Holding</b>
	Equity	270,584,000		10	2,705,840,000	98.72%
	0.001% Compulsorily Convertible Preference Shares	3,500,000		10	35,000,000	1.28%
	<b>Total</b>	<b>274,084,000</b>			<b>2,740,840,000</b>	<b>100.00%</b>
<b>SI No.</b>	<b>Issued, Subscribed &amp; Paid-up Capital</b>					
	<b>Equity Shares</b>	<b>No of Shares</b>		<b>Rs per share</b>	<b>Total</b>	<b>% of Holding</b>
	<b>PROMOTER &amp; PROMOTER GROUP</b>					
1	Mr. V.G Siddhartha	69,174,700		10	691,747,000	33.58%
2	Devadarshini Info Technologies Pvt Ltd	12,408,440		10	124,084,400	6.02%
3	Coffeeday Consolidations Pvt.Ltd	12,268,416		10	122,684,160	5.96%
4	Gonibedu Coffee Estates Private Limited	11,071,104		10	110,711,040	5.37%
5	Mrs Malavika Hegde	30,38,104		10	3,03,81,040	1.47%
8	Sivan Securities Pvt.Ltd	444,032		10	4,440,320	0.22%
	<b>TOTAL-A</b>	<b>108,404,796</b>		<b>10</b>	<b>1,084,047,960</b>	<b>52.62%</b>
	<b>PUBLIC</b>	97,596,923		10	975,969,230	47.38%
	<b>TOTAL-B</b>	<b>97,596,923</b>		<b>10</b>	<b>975,969,230</b>	<b>47.38%</b>
	<b>Total- Equity -----A+B</b>	<b>206,001,719</b>			<b>2,060,017,190</b>	<b>100.00%</b>



**Annexure-B**

**Coffee Day Enterprises Limited**

**Post- Scheme Shareholding Pattern**

	<b>Authorized Share Capital</b>	<b>No of Shares</b>		<b>Rs per share</b>	<b>Total</b>	<b>% of Holding</b>
	Equity	270,584,000		10	2,705,840,000	98.72%
	0.001% Compulsorily Convertible Preference Shares	3,500,000		10	35,000,000	1.28%
	<b>Total</b>	<b>274,084,000</b>			<b>2,740,840,000</b>	<b>100.00%</b>
<b>SI No.</b>	<b>Issued, Subscribed &amp; Paid-up Capital</b>					
	<b>Equity Shares</b>	<b>No of Shares</b>		<b>Rs per share</b>	<b>Total</b>	<b>% of Holding</b>
	<b>PROMOTER &amp; PROMOTER GROUP</b>					
1	Mr. V.G Siddhartha	69,174,700		10	691,747,000	32.74%
2	Devadarshini Info Technologies Pvt Ltd	12,408,440		10	124,084,400	5.87%
3	Coffeeday Consolidations Pvt.Ltd	12,268,416		10	122,684,160	5.80%
4	Gonibedu Coffee Estates Private Limited	11,071,104		10	110,711,040	5.24%
5	Mrs Malavika Hegde	30,38,104		10	3,03,81,040	1.44%
8	Sivan Securities Pvt.Ltd	444,032		10	4,440,320	0.21%
	<b>TOTAL-A</b>	<b>108,404,796</b>		<b>10</b>	<b>108,404,7960</b>	<b>51.3%</b>
	<b>PUBLIC</b>	97,596,923		10	975,969,230	46.2%
	<b>TRUST (To be Issued)</b>	5,250,000		10	52,500,000	2.49%
	<b>TOTAL-B</b>	<b>102,846,923</b>		<b>10</b>	<b>1,028,469,230</b>	<b>48.7%</b>
	<b>Total- Equity -----A+B</b>	<b>211,251,719</b>			<b>2,112,517,190</b>	<b>100.00%</b>

**IN THE NATIONAL COMPANY LAW TRIBUNAL AT BENGALURU**

ORDINARY ORIGINAL CIVIL JURISDICTION

**COMPANY APPLICATION NO. 739/2016**

In the matter of Scheme of Amalgamation under Sections 230 of the Companies Act, 2013;

AND

(s)In the matter of M/s. Coffee Day Enterprises Limited a company incorporated under the Companies Act, 1956 and having its registered office at 23/2, Coffee Day Square , Vittal Mallya Road, Bangalore-560001 in the state of Karnataka;

AND

In the matter of Scheme of Amalgamation in the nature of amalgamation between Coffee Day Enterprises Limited and Coffee Day Overseas Private Limited and their respective Shareholders

Coffee Day Enterprises Limited  
23/2, Coffee Day Square  
Vittal Mallya Road  
Bangalore-560001-----Applicant Company (Transferee Company)

**PROXY FORM**

Name of the Shareholder(s) :  
Registered Address :

E-Mail ID :  
Folio No/DP ID & Client ID :  
No. of Shares held :

I/We, being the shareholder(s) of \_\_\_\_\_ shares of the COFFEE DAY ENTERPRISES LIMITED, hereby appoint Mr. / Ms. \_\_\_\_\_ and failing him / her Mr. /Ms. \_\_\_\_\_ and failing him / her Mr. /Ms. \_\_\_\_\_ as my / our proxy and whose signature(s) are appended below to attend and vote (on Poll) for me/us and on my/our behalf at the NCLT CONVENED MEETING of the Company to be held on Friday the 10<sup>TH</sup> March, 2017 at 12.00 Noon at Global Village, RVCE Post,

Mysore Road, Mylasandra, Bangalore-560059 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Description of Resolution	For	Against
Resolution pursuant to provisions of Section 230 of the Companies, Act 2013 read with relevant Rules and Regulation 44 of SEBI LODR Regulations (erstwhile Clause 35B of the Listing Agreement) and SEBI Circulars and under relevant provisions of applicable law for approval of the Scheme of Amalgamation <del>and Arrangement</del> of Coffee Day Overseas Private Limited and Coffee Day Enterprises Limited and their respective shareholders.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first Proxy Holder

\_\_\_\_\_  
Signature of Second Proxy Holder

\_\_\_\_\_  
Signature of Third Proxy Holder

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please select the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Transferee Company.



Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866

Regd Office: 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560001

Tel No: +91 80 40012345; Fax: + 91 80 40012650

Website [www.coffeeday.com](http://www.coffeeday.com)

#### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL OF NCLT CONVENED MEETING ON Friday the 10<sup>TH</sup> March, 2017 at 12.00 Noon at Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059

Name of the Shareholder	
Folio No. / DP ID & Client ID	
No. of shares held	

I/ We certify that I/ We am/ are registered shareholder/ proxy for the registered shareholder of the Company.

I/ We hereby record my presence at the NCLT CONVENED MEETING of the Company to be held at Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059 on Friday the 10<sup>TH</sup> March, 2017 at 12.00 Noon.

Shareholder's / Proxy's name in BLOCK letters

Signature of Shareholder /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.



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CIN: L55101KA2008PLC046866

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**POSTAL BALLOT FORM**

1. Name & registered address of the sole/ first named shareholder :
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered folio Number or DPID No. & Client ID No. :
4. Number of equity shares held :

I / We hereby exercise my/our vote in respect of the resolution to be passed through postal ballot for the business stated in the notice dated February 2, 2017, of Coffee Day Enterprises Limited (the "Notice") by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick mark (√) at the appropriate column below.

Description of Resolution	No. of Shares held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution pursuant to provisions of Section 230 of the Companies, Act 2013 read with relevant Rules and Regulation 44 of SEBI LODR Regulations (erstwhile Clause 35B of the Listing Agreement) and SEBI Circulars and under relevant provisions of applicable law for approval of the Scheme of Amalgamation <del>and Arrangement</del> of Coffee Day Overseas Private Limited and Coffee Day Enterprises Limited and their respective shareholders.			

Date :

Place:

Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. Only valid Postal ballot forms received by the scrutinizer by 5:00 PM on March 09<sup>th</sup>, 2017, shall be considered.

#### INSTRUCTIONS

1. Shareholders, desiring to exercise vote by postal ballot, may fill up the Postal Ballot Form printed overleaf and submit the same in the attached self-addressed postage paid envelope which shall be properly sealed with adhesive or adhesive tape so as to reach the Scrutinizer by 5:00 PM on March 09<sup>th</sup>, 2017. Postal ballot form received thereafter will strictly be treated as if not received.
2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Company.
3. The Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. A shareholder can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a shareholder casts votes by both modes, then voting done through e-Voting shall prevail and Postal Ballot shall be treated as invalid.
6. The right of voting by Postal Ballot Form shall not be exercised by a proxy.
7. To avoid fraudulent transactions, the identity/signature of the Shareholders holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL. Shareholders are requested to keep the same updated.
8. There will be only one Postal Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint holders.
9. In case of joint holders, the Postal Ballot Form should be signed by the first named shareholder and in his/her absence by the next named Shareholder. Postal Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Postal Ballot Form from other joint holders.
10. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholder(s) as on the cut-off date i.e.27.01.2017
11. Where the Postal Ballot Form has been signed by an authorized representative of the body corporate/trust/society, etc. A certified copy of the relevant authorisation/board resolution to vote should accompany the Postal Ballot Form.
12. The consent must be accorded by recording the Assent in the column for or Dissent in the column against by placing a tick mark (✓) in the appropriate column in the postal ballot form.

### Global Village

RVCE Post, Mysore Road,  
Mylasandra, Bangalore 560059  
Karnataka

