

Shiv Chhatrapati Shikshan Sanstha's  
**RAJARSHI SHAHU MAHAVIDYALAYA, LATUR**  
**(Autonomous College)**  
**Department of Information Technology**

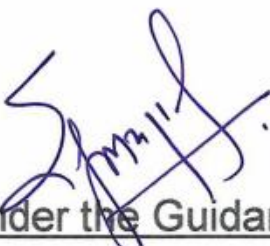


*A Project Report on*  
*"Cafe Coffee Day"*

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Interview Techniques  
Course code :U-PDI-714

  
Under the Guidance of  
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**DEPARTMENT OF INFORMATION TECHNOLOGY**

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**A Report submitted**

**In Partial Fulfillment of the Requirnments**

**For the paper of**

**Personality Development**

**On**

**Café Coffee Day**

**By**

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**Supervisor**

**Report submission date**

**Prof. Rahul Athawale sir**

**11/03/2020**

## Acknowledgment

First and foremost I would like to thank my colleague, Rajarshi Shahu Mahavidyalaya (Autonomous) latur, for encouraging me to complete my project Café Coffee Day. major role in the project was played by my project guide **prof. Rahul Athawale sir**, I would like to pay my sincere regards and thank to Rahul Athawale sir for directed me at every step in my project works and for directed me at every step in my project work and for providing me with a wonderful opportunity to associate myself with this important project.

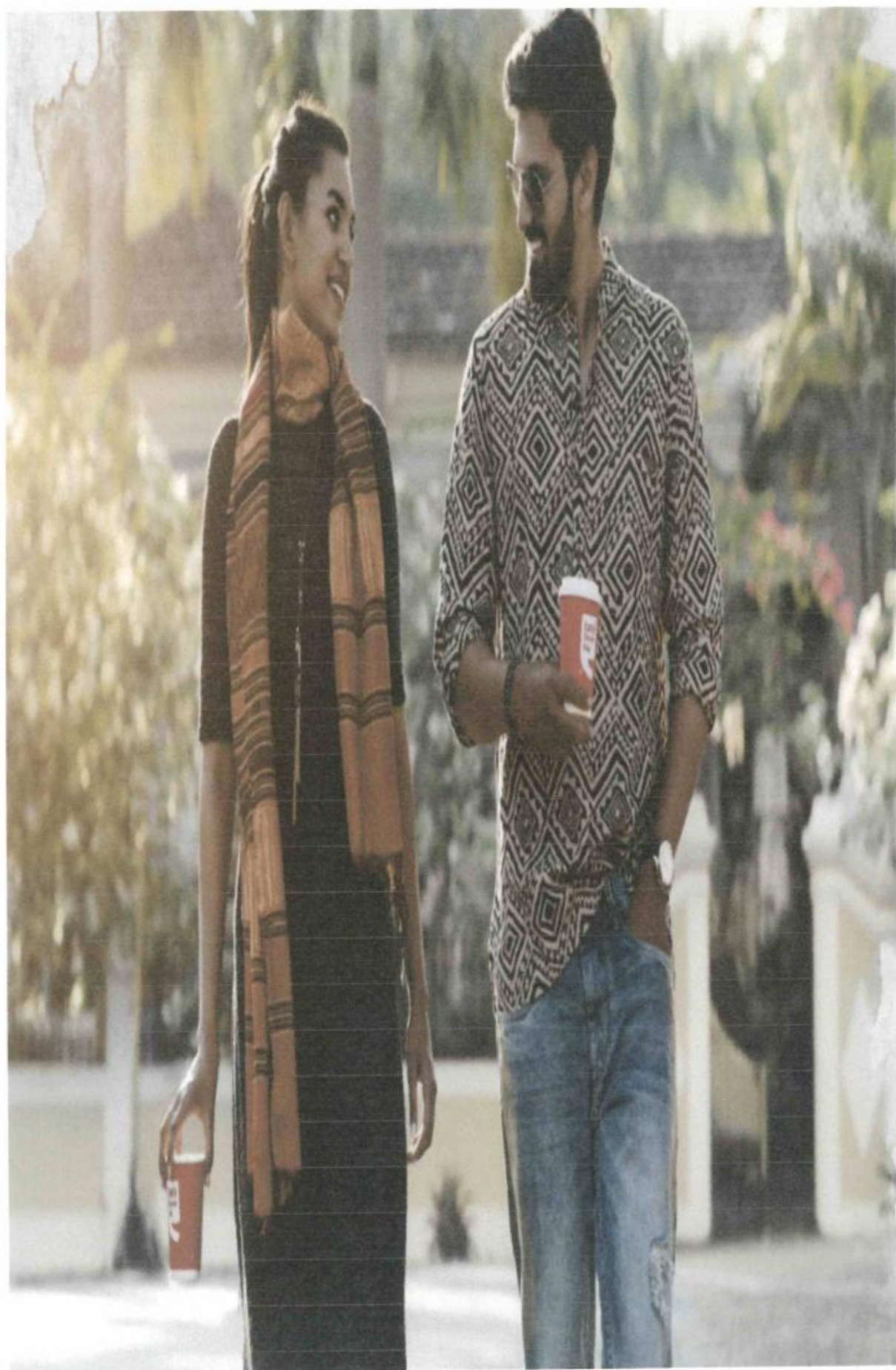
His invaluable guidance, enthusiastic encouragement technical knowledge where the force that drove my project to destination of an ideal project. I wish to express my sincere thanks to all my friends and collegers for this whole support and advice.

Gore Ashvini Bhaskarrao Ashvini  
Deshmukh Prasad Bandu Prasad

### **Abstract**

The coffee market in India has been growing due to the demand for ready to drink coffee and has become a part of an individual's daily consumption basket. Due to changing cultures, consumers are becoming aware of domestic and foreign brands, which are boosting the consumption levels. The export promotion schemes and other subsidies by the GOI, and increasing trend of eating out coupled with the rising share of young population has driven the market. Well-established coffee shop chains, such as Cafe Coffee Day (CCD) and Barista, enhanced their pan-India presence in the latter part of the review period. In 2010, Cafe Coffee Day and Barista had 970 and 200 stores, respectively, and they aim to continue expanding in the next few years. Meanwhile, several relatively new players, such as Costa Coffee, Coffee Bean, Gloria Jean's and Java Coffee, are trying to establish a footing in Indian coffee retailing. Both these factors drove on-trade consumption of fresh coffee beans in 2010, with volumes growing by 12%. On-trade sales have emerged as the primary sales channel for fresh coffee beans, in the absence of any appreciable off-trade consumption.





## **Introduction:-**

Parent Company :-	Café Coffee Day (CCD)
Category :-	Coffee joints
Sector :-	Food Products
Tagline/ Slogan:-	A lot can happen over coffee.
USP:-	Most recognizable and affordable brand In india.
Segment :-	People looking to go to have a coffee And At a hangout place.
Target group:-	Youth in the middle and higher income Groups.
Positioning:-	India's favorite coffee shop, for the young At young heart.

## History

Café Coffee Day Global Limited Company is a [Chikkamagaluru](#)-based business which grows coffee in its own estates of 20,000 acres. It is the largest producer of [arabica](#) beans in Asia, exporting to various countries including the U.S., Europe, and Japan.

[V. G. Siddhartha](#) started the café chain in 1996 when he incorporated Coffee Day Global, which is the parent of the Coffee Day chain. The first CCD outlet was set up on July 11, 1996, at [Brigade Road](#), Bangalore, Karnataka. It rapidly expanded to other cities in India, with more than 1000 cafés open across the nation by 2011.

In 2010, it was announced that a consortium led by [Kohlberg Kravis Roberts](#) would invest ₹ 10 billion (US\$140 million) in Coffee Day Resorts, owned by the company. The same year, the logo was changed to the current logo, which the company stated was to showcase the chain as a place to talk. This was done with major changes in the layout of the stores, including the addition of lounges and a total revamp of the interiors.



A cup of coffee at cafe coffee day



Sandwich, coffee and tea served at CCD





A veg burger at CCD



Café latte at CCD

The company is vertically integrated as per the strategy to cut costs: from owning the plantations to growing the coffee, making the coffee machines and making the furniture for the outlets.

On 29 July 2019, Siddhartha went missing, and his body was found in the Nethravathi river backwaters two days later. A letter, assumed to be written by Siddhartha addressing the board of directors and staff, was made public in which he takes responsibility for not creating a profitable business model.

In September 2019, the company appointed auditing firm [Ernst and Young](#) to scrutinize their books of accounts. They also indicated the auditor will also look into circumstances of the last letter written by the founder and the



## **Growth of the Café Industry in India:-**

The coffee market in India has been growing due to the demand for Ready to Drink coffee and has become a part of an individual's daily consumption basket. Due to changing cultures, consumers are becoming aware of domestic and foreign brands, which are boosting the consumption levels.

The export promotion schemes and other subsidies by the GOI, and increasing trend of eating out coupled with the rising share of young population has driven the market.

Well-established coffee shop chains, such as Cafe Coffee Day (CCD) and Barista, enhanced their pan-India presence in the latter part of the review period.

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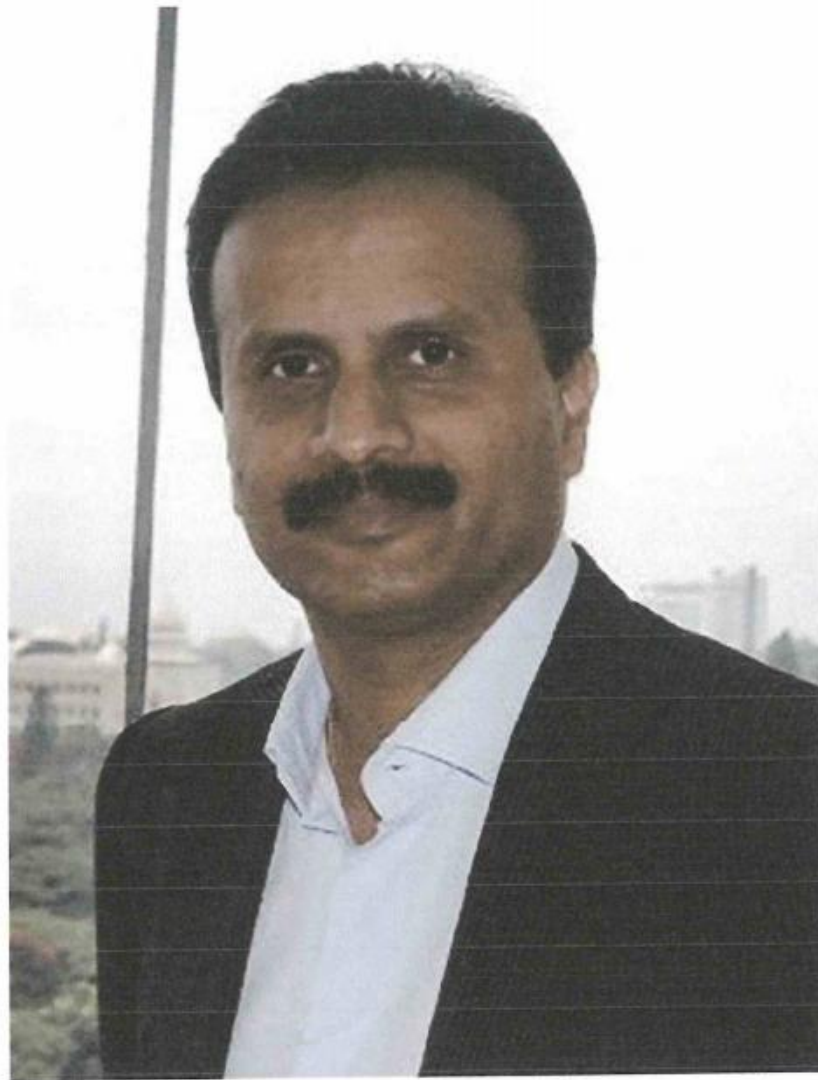
On-trade sales have emerged as the primary sales channel for fresh coffee beans, in the absence of any appreciable off-trade consumption.

In 2010, the average bill amount at coffee outlet was between rupees 135 and 150.

This is expected to rise to rupees 245 by 2016. With customers paying significant amount for their coffees, they are also expecting a lot from an outlet.

Factors such as menu, ambience, service and brand name are playing an important role while choosing a coffee outlet.

Indian Coffee Chains market is quite mature which is evident from the fact that Café Coffee Day alone maintains more than 1000 Café's in 141 cities in India.



### **Career of V.G Siddhartha:-**

At the age of 24, he joined J M Financial Limited in 1983–1984 in Mumbai as a management trainee/intern in portfolio management and securities trading on the Indian stock market. After two years, he returned to Bangalore. With capital given by his father, Siddhartha bought stocks worth Rs. 30,000 and started the company Sivan Securities. In 1999, it was renamed Way2wealth Securities Ltd. Its venture capital division came to be known as Global Technology Ventures (GTV).

He established his coffee trading company ABC in Karnataka 1993, with a Rs 60 million turnover. He bought an ailing coffee curing unit in Hassan for Rs 40 million and improved it. The

company now has the largest curing capacity in India at 75,000 tonnes.

He was the first entrepreneur in Karnataka to set up a café in 1996 (Café Coffee Day, a chain of "youth hangout" coffee parlors). By 2018, the chain had over 1700 cafés in India. His cafes attract 40,000 to 50,000 visitors a week. Siddhartha also held board seats in GTV, Mindtree, Liqwid Krystal, Way2Wealth, and Ittiam. In 2000, he founded Global Technology Ventures Ltd, a company that identifies, invests in, and mentors Indian companies engaged in technologies. GTV set up Global Village Tech Park on a 59-acre (240,000 m<sup>2</sup>) plot as an incubator park in Bangalore, providing office space, communication links, recreational facilities, and a commercial centre. In 1999, GTV was valued by BankAm at \$100 million.

He planted banana trees on 3,000 acres (1,214 ha) and had plans to export bananas. The Dark Forest Furniture Company is named after V. G. Siddhartha's Kathale Kaad (Dark Forest in Kannada) estate in Chikmagalur.

Sical Logistics Ltd, a logistics company founded in India in 1955, was acquired by Coffee Day group in 2011.

On 21 September 2017, a tax raid was conducted at more than 20 of V. G. Siddhartha's locations in Mumbai, Bengaluru, Chennai, and Chikmagalur by senior officers of the Income Tax Department of Karnataka and Goa regions.





### **Why CCD owner VG Siddhartha dead:-**

**V G Siddhartha**, owner of popular chain Cafe Coffee Day (CCD) was found dead on the banks of the Netravati river near Mangaluru on July 31, a day after a **note** believed to have been written by him to the Board of Directors surfaced. His suspected suicide has left many in shock, raising concerns about the prevalence of **suicide** and the stigma around mental health in India.

“The reasons for someone to think of suicide can be many. It is usually not a decision taken in a moment, but a considered thought process. The individual typically does not see a solution to their problems and struggles and is unable to express what is happening, which can prompt the feeling of helplessness. Those around the person are also unable to recognise the signs, which translates into help not being extended in those moments,” explains Dr Kammna Chibber, head of Department of Mental Health and Behavioral Sciences, Fortis Healthcare.

Agrees Shabri Prasad Singh, author, mental health activist, and director of Gurgaon Literature Festival, who says that people do not consider suicide as a solution to their woes. “It is, in



fact, a deeply embedded thought that keeps recurring, along with dark thoughts, and suicide ideation,” she says.

According to the **Global Burden of Disease Study 1990-2016** published in *The Lancet*, India accounts for 37 per cent of suicides among women and 24 per cent of suicides in men. Individuals between 15 and 39 years old account for the largest number of suicides in India. It says that there has been a 40 per cent increase in suicides in India between 1990 and 2016.

**Outlets:-** As of 2018, the company had 1,722 café outlets in over 200 cities of India. Café Coffee Day has also expanded outside India with its outlets in Austria (Vienna), Czech Republic, Egypt and Nepal.



Mysore outlet



Bangalore Airport



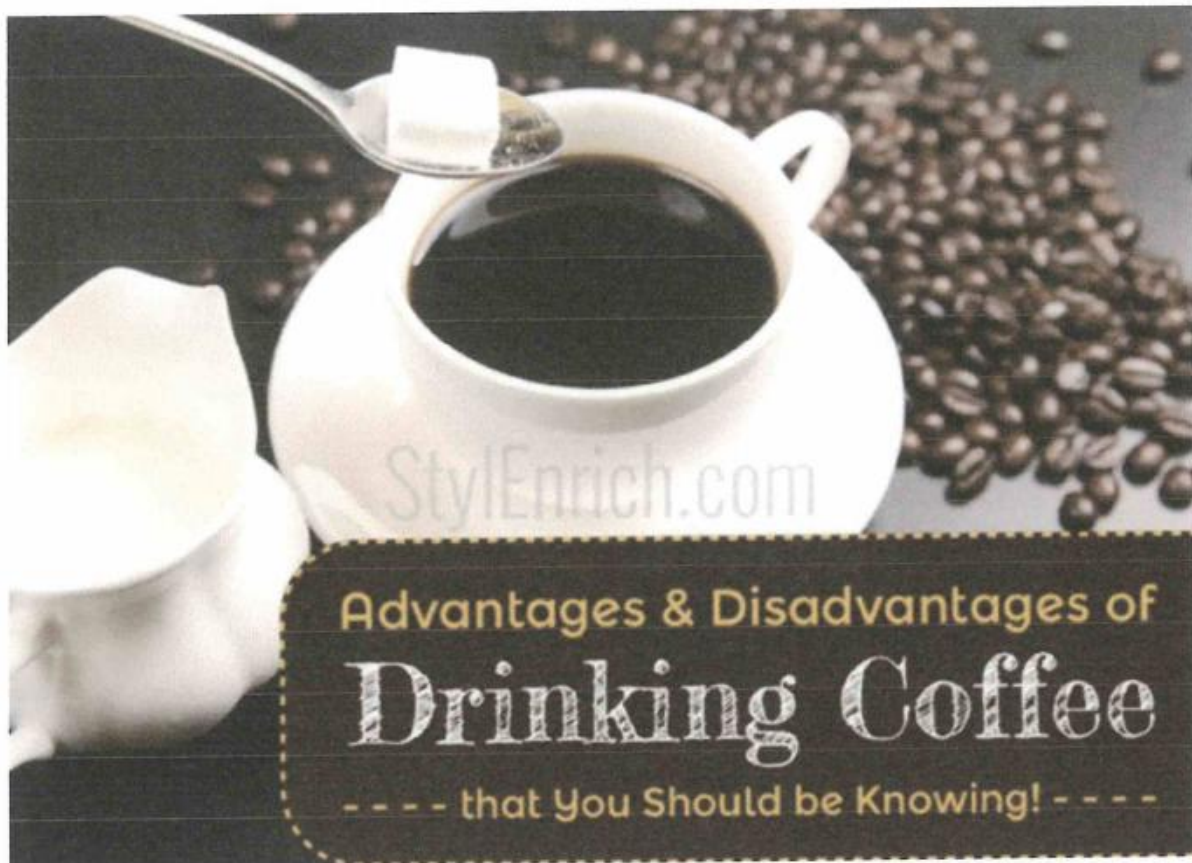
Hyderabad

#### **Subsidiaries:-**

In June 2010, CCD acquired Café Emporio, a café chain from the **Czech Republic**. Café Emporio has 11 cafés in the Czech Republic. 7 of them are in Prague, 1 is in Brno and Olomouc and 2 are at Freeport-Hate.

Café Coffee Day's divisions include:-

- Coffee Day Fresh 'n' Ground, which owns 450 coffee bean and powder retail outlets.
- Coffee Day Square, a high-level coffee bar in Bangalore, Kolkata, Chennai, Mumbai and New Delhi.
- Coffee Day Xpress, which runs 900+ Coffee Day kiosks.
- Coffee Day Beverages, which runs over 50,000 vending machines.



### **Advantages:-**

- 1) Protection against a host of health problems.
- 2) Reduce the risks of oral cancer.
- 3) Coffee can reduce the risks of strokes among aged women.

### **Disadvantages:-**

- 1) Caffeine can be addictive.
- 2) Bad coffee could be tonic.
- 3) may interact badly with medication.



## **COPORATE PROFILE**

Café Coffee Day, A division of Amalgamated Bean Coffee Trading Company Ltd.

(ABCTCL), having its headquarters in Chikkamagaluru, Karnataka. It opened its first cafe in 1996 on Brigade Road in Bangalore, and today has the largest cafe retail chain in India – with over 1000 Café's in 141 cities.

“Running café is a hospitality business and one needs to create the right ambiance and experience and back it up with strong logistics”

Café coffee day is a 750 crores ISO 9002 certified company has over 5000 acres of coffee states which is second largest in Asia registered as a social service provider to people.

Large numbers of coffee day cafes are located in Bangalore. The cafe chain has had much success riding, and to some extent creating, the cafe culture wave that swept across metropolitan India following strong economic growth resulting in an increase in youth spending power. It has even tied up with World Space and Micro sense to enable its cafes with satellite radio and Wi-Fi, respectively. Its first Wi-Fi cafe was opened on Lavelle Road, Bangalore. Its different divisions include:

### **OBJECTIVE:-**

The objective is to start trading in the overseas markets. Having set up a subsidiary in Vienna and a franchise operation in Pakistan, the café coffee day expects to vend its brand through departmental stores.

### **VISION :-**

“To be the best café chain in the country by offering world class coffee experience at affordable prices”.

## **MISSION:-**

cookies, coffee mugs and curry paste.

## **PHILOSOPHY:-**

Its philosophy is to provide world class trendy lifestyle products and experience to its customers and in order to execute it, it has opened some new outlets with the facility of music lounges, book cafes etc.

## **NATURE OF BUSINESS:-**

Café Coffee Day is a division of India's largest coffee conglomerate, Amalgamated Bean Coffee Trading Company Ltd. It was the first to roll out the coffee bar concept in India with its first Café in Bangalore. Café Coffee Day serves the coffee its grows on 6000 acres of its own estates and another 2500 acres of managed estates and is India only vertically integrated coffee company.

First café was opened in Bangalore. It ranges from hot and cold coffees giving a pinch of international flavours.

It has a well-equipped roasting unit catering to the specific requirement of the consumers.

The process is carried out under the control of experienced personnel to meet the highest quality standards.

Coffee Day Comprises of the following Sub Brands

Coffee Day - Fresh & Ground

Café Coffee Day

Coffee Day – Vending

Coffee Day - Xpress

Coffee Day – Exports

Coffee Day - Perfect



## **MARKETING MIX :-**

Café Coffee Day has a well-equipped roasting unit catering to the specific requirement of the consumers. The process is carried out under the control of experienced personnel to meet highest quality standards. The most modern technology available is used to maintain consistency and roast the coffee beans to the demanding specifications of the discerning coffee consumers.

Essentially a youth oriented brand with majority of its customers falling in the 15- 29 year age bracket. Each café, depending upon its size attracts between 400 and 800 customers daily.

### **USP of the Brand:**

Affordable Price

### **PRODUCT:**

Café Coffee Day product mix constitutes a wide range of products like samosa, biryani, masala sandwich, tikka sandwich etc. The best selling item in summer is frappe, which is coffee and ice cream blended together. The young people favor it. In winter it is cappuccino. Their merchandising includes funky stuff like t-shirts, caps etc.

**Serving Size:**

The serving size of a product is a measure, not only of quantity, but also of value for money.

PRODUCT	SERVING Size
Hot Coffee	210 ml
Cold Coffee	350 ml
Smoothies	350ml
Granitas	350ml

**PRICE:-**

Considering that Café Coffee Day knows its major customer lies in the bracket of 15- 29, it has tried to derive a policy whereby it can satisfy all its customers. The price for a cup of coffee ranges from Rs.45 to Rs 80. From the time it first started its operations, there has been only minor changes in the pricing policy of Café Coffee Day. The changes have been more due to the government taxes than any thing else

**PLACE:-**

The strategy CCD has adapted is to place a cafe in every possible location where some business can be generated. This is a prime factor in determining the success of a retail chain. Café Coffee Day looks to cater to their target market with strategically located outlets. Their outlets are generally located in High Street/ Family Entertainment Centers, gas stations, near Colleges etc.

## **PROMOTION:-**

Café Coffee Day involved in all the areas of serious consumer passion like: Television: Café Coffee Day held a contest around a very popular programme on Zee English called Friends. All the six lead characters are shown often visiting a coffee shop. They have tied up with Channel [V]'s Get Gorgeous contest.

Tie-ups: Besides that Café Coffee Day also tie up lot of the youth brands. So they have a contest going on with Levis, another one with Scooty, Liril, latest one with Airtel Friends.

Association with movies: CCD can be seen in movies like Khakhee and Mai Hoon Na Sales Promotion: Café Coffee Day uses special 'Café Citizen Card' for rewarding Café Coffee Day's customers.

It is a loyalty program to gain new customers and retain the existing ones.

## **PEOPLE:-**

Motivation and personal skill are laid emphasize upon. Their employees are like friend to the customer but at the same time they know about the international standards of hygiene and cleanliness and personal grooming.

## COMPETITION:-

Direct competitors	Indirect competitors
<ul style="list-style-type: none"><li>• of CCD in the Indian market. They target the same class of upwardly mobile youth and young professionals. But barista is always viewed as a place to unwind after a hard day's work or an ideal setting for some business meetings.</li></ul>	<ul style="list-style-type: none"><li>• Haldirams pose competition to c as they are likely attraction for customers to be drawn to .a consumer can well understand why he should spend around rs.45 on a coffee when he can get a burger and a coffee for the same price at Mc Donald's.</li></ul>

## GOVERNANCE RELATED TO BUSINESS RESPONSIBILITY (BR)

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. The BR performance of the Company under various principles is assessed periodically at various Board and Committee meetings.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? **The Business Responsibility Report is part of Annual Report, being published by the Company for FY 201718. The same will be disclosed on the website of the Company [www.coffeeday.com](http://www.coffeeday.com)**





## **PRINCIPLE – WISE PERFORMANCE:-**

**Principle 1:-** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Coffee Day is committed to doing business in an efficient, responsible, honest and ethical manner. Corporate governance practice goes beyond compliance and involves a company-wide commitment, and it has become an integral part of our business to ensure fairness, transparency and integrity of management.

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders.

The Company follows the principles of Ethics, Transparency and Accountability. Coffee Day firmly believes that good Corporate Governance is a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders.

Further, the Company has adopted the Whistleblower Policy to provide a mechanism for employees and directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee and Risk Management Committee of the Company for reporting genuine concerns. The Whistleblower Policy provides a platform for reporting unethical behaviour, fraud and actual or potential violation of the Code.

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the previous fiscal ending March 2018, 100% of minor complaints received from other stakeholders were resolved. Presently no major complaints or issues from employees/other stakeholders are pending.

**Principle 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Coffee Day believes in providing products which are safe for its consumers and achieving growth in a responsible manner.

The company shall raise the consumer's awareness of their rights through education, product labeling, appropriate and helpful marketing communication, full details of contents and composition as per the applicable laws and promotion of safe usage and disposal.

Environment, health and safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

1) List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

At Coffee Day, we have integrated our Social Responsibility activities into our daily operations. That's why our commercial success is coupled with initiatives that empower communities and protect the environment.

These initiatives include buying and selling ethically sourced coffee, educating underprivileged rural youth and forging avenues to employ a number of differently-abled people with us.

2) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material/service, processing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers.



The Company has been continuously improving on resource use efficiencies, especially that of common resources such as water and energy.

The Company's concerted efforts in optimising resource use efficiency and focused energy programs have been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation. Various initiatives for conservation of energy and reducing environmental impact are detailed in Principle 6 of this BRR.

3) Does the Company have procedures in place for sustainable sourcing (including transportation)?

Pertaining to sourcing of coffee beans, we are committed to offer ethically-purchased and responsibly-grown coffee. Majority of our committed suppliers are UTZ certified – a world standard in responsible farming, owing to our efforts in conserving biodiversity and ensuring sustainable livelihoods. The Company endeavours to embed sustainability throughout its supply chain system.

4) Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The welfare of the coffee farming community is high on our agenda. Our coffees are sourced from thousands of small coffee planters who have made us who we are today, and we are glad to be a part of their lives. We facilitate UTZ and Rainforest certification for our major coffee suppliers' estates. The UTZ Code of Conduct is a recognized global 'decency' standard for coffee and production criteria for socially and environmentally appropriate growing practices and efficient farm management techniques. The Rainforest Alliance works to conserve biodiversity and improve livelihoods by promoting and evaluating the implementation of the most globally respected sustainability standards in a variety of fields which are designed to generate ecological, social and economic benefits.



While Coffee Day's core competence lies in coffee growing/brewing/serving, increased demand for serving a variety of food items and beverages under the same brand has made it diversify its offerings, including exclusive offerings customised to the needs of various geographic and demographic segments of society. Seasonality in supply and demand, lower shelf life, market dynamics, demand for variety in product and packaging, higher expectations on product quality and delivery, all have added extra dimensions to the challenge, which is effectively handled by its Supply Chain team. We work with vendors extensively to improve capacities and capabilities which results in high standards of food safety.

5) Does the Company have a mechanism to recycle products and waste? If, yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

We strive to foster a socially responsible corporate culture by introducing a balanced approach to business by addressing social and environmental challenges through required investments, technological upgradation, necessary resource allocation and stakeholder engagements. Coffee Day plays a catalyst role in bringing these changes, step by step.

Below is a snapshot of a few of our activities:

Waste Management by efficient usage of:

Coffee byproducts, Husk – around 20-25% of the input raw coffee is used as energy/raw material in briquettes for manufacturing and other industries, and also in composting. Lamination paper/stickers used in packing materials – distributed to Government School Children for book binding waste packing material and responsibly disposing Electronic waste.

**Principle 3:-** Businesses should promote the wellbeing of all employees Coffee Day acknowledges that the employees are its greatest assets and is consistently taking various initiatives, adopting various policies, conducting training programs etc., to enable the employees to feel good, live healthy and work safely.

For the Company, learning and development is a business critical priority for enhancing capability, strengthening the leadership pipeline and fostering employee engagement.

Coffee Day provides a work environment that is free from any discrimination or harassment, promotes health and safety and prohibits using, selling or distributing controlled substances.

The Company believes all employees are important stakeholders in the enterprise and that building a culture of mutual trust, respect, interdependence and meaningful engagement is imperative. As such, it respects the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management.

1. Total number of employees : 19,943 2. Total number of employees hired on temporary/ contractual/casual basis : **6,686**

3. Number of permanent employees with disabilities: **85**

4. Do you have an employee association that is recognized by management : **No**

5. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: **Nil**

6. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?: **100%**

**Principle 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

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1. Has the company mapped its internal and external stakeholders?

Coffee Day has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable or marginalised.



3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

Coffee Day thinks beyond business and undertakes various initiatives to improve the lives of the lower socioeconomic sections of the society.

Our social transformation initiatives are led by YUVA, an SVGH Education Trust initiative for Vocational



**CCD :-** The global upswing in economic activity is strengthening, with global growth projected to be 3.7 percent in 2018. Broad-based upward revisions in the Euro area, Japan, emerging Asia, emerging Europe, and Russia more than offset downward revisions for the United States and the United Kingdom. But the recovery is not complete; while the baseline outlook is strengthening, growth remains

weak in many countries, and inflation is below target in most advanced economies.

Commodity exporters, especially of fuel, are particularly hard hit as their adjustment to a sharp stepdown in foreign earnings continues. And while short-term risks are broadly balanced, medium-term risks are still tilted to the downside. For policymakers, the welcome cyclical pickup in global activity provides an ideal window of opportunity to tackle key challenges—namely to boost potential output while ensuring its benefits are broadly shared, and to build resilience against downside risks.

### **INDIAN ECONOMIC OVERVIEW:-**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Economic growth is projected to strengthen to above 7%. In the long run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Investment will be further supported by the plan to recapitalise public banks and by the new road plan. Recent measures to digitise the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period.

Given the high public debt-to-GDP ratio, increasing social infrastructure such as health and education, will require raising more property and income tax revenue. With inflation expectations adjusting down, there could be room for further cuts in interest rates if inflation durably remains below 4%.

Non-performing loans have increased, largely reflecting recognition efforts, and are particularly high in public banks. Steps have been taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. A new bankruptcy law is also being implemented. The large recapitalisation plan for public banks should be accompanied by governance reform. External debt remains low and foreign exchange reserves have increased, reducing vulnerabilities.





## **COMPANY'S FINANCIAL OVERVIEW :-**

### **Profit and Loss Account Analysis:-**

**Gross revenues:-** Gross revenues increased by 22% to Rs.43,305 million in 2017-18, compared with Rs.35,519 million reported in 2016-17.

**Operating profit:-** Operating profit (EBITDA) increased by 21% to Rs.8,253 million during 2017-18 from Rs.6,812 million in 2016-17, including an exceptional gain of Rs. 532 Million on account of sale of equity stake in Global Edge Software Limited largely because of better financial performance of café business and integrated multimodal logistics business.

**Depreciation:-** Depreciation for the year under review stood at Rs.2,604 million, compared with Rs. 2,268 million recorded in the previous year, up 15% on a y-o-y basis.

**Finance costs:-** Finance cost for the year under review increased by 10% from Rs. 3,172 million to Rs. 3,491 million because of increase in the gross debt.

**Net profit:-** Consolidated net profit attributable to the owners for the year under review stood at Rs. 1063 Million over Rs. 470 Million in the previous financial year which includes exceptional gain of Rs. 388 Million on account of sale of equity stake in Global Edge Software Limited.

### **Balance Sheet Analysis:-**

**Net worth:-** The Company's net worth stood at Rs. 30,155 million as on 31st March, 2018, increasing by 6%, compared with Rs. 28,483 million as on 31st March, 2017. The net worth comprised paid-up equity share capital amounting to Rs. 2,113 million as on March 31, 2018 (211,251,719 equity shares of Rs. 10 each fully paid up) and Non-controlling interests of Rs. 6,379 million. The Company's other equity stood at Rs. 21,663 million as at 31st March 2018.

**Loan profile:-** The total loan funds stood at Rs. 50,499 million while long-term borrowings stood at Rs. 42,390 million. The Company's net debt as on 31st March, 2018 stood at Rs. 33,238 million.

**Liabilities:-** Non-current liabilities (excluding borrowings) stood at Rs. 2,106 million, comprising of other financial liabilities Rs. 1,327 million, deferred tax liabilities Rs. 361 million, other non-current liabilities Rs. 254 million and provisions amounting to Rs. 164 million. Current liabilities (excluding borrowings of Rs. 8,109 million and current maturities of long-term borrowings amounting to Rs. 10,464 million) stood at Rs. 6,000 million, comprising of other financial liabilities (excluding current maturities of long-term borrowings) of Rs. 3,343 million, trade payables of Rs. 1,325 million, other current liabilities Rs. 885 million, current tax liabilities Rs. 411 million and provisions amounting to Rs. 36 million.

**Total assets:-** The Company's total assets increased to Rs. 88,759 million in 2017-18 from Rs. 80,252 million in 2016-17, representing an increase of 11%. Capital work-in-progress (WIP) and investment property under development for the year increased by 11% to Rs.12,623 million in 2017-18, compared with Rs. 11,363 million in 2016-17 on account of ongoing construction in our subsidiary engaged in the business of leasing of commercial office space and further additions by integrated multimodal logistics business.

**Investments:-** The Company's investments (current and non-current) including equity accounted investees during the year under review increased to Rs. 7,161 million from Rs. 6,641 million in the previous year, an increase of 8% over the previous year.

**Current and Non-current assets:-** Inventories decreased by 28% to Rs.956 million during the year under review from Rs.1,325 million. Inventories comprise of raw material inventory of Rs.631 million, stores and spares worth Rs. 136 million, finished goods inventory of Rs. 139 million and WIP inventory of Rs. 49 million. Trade receivables of the Company stood at Rs. 4,798 million in FY18, an increase of 17% over the previous year. The Company had on its

books cash and bank balances including deposits worth Rs. 17,261 million as on 31st March, 2018 as compared to Rs. 14,766 million in 31st March, 2017. Loans and other assets amounted to Rs. 12,750 million, comprising 14% of the Company's total assets. Current loans and other assets for the year stood at Rs. 3,699 million (decrease of 2% from the last year). Tax assets increased by 6% to Rs. 1,245 million during the year under review from Rs. 1,174 million, comprising of deferred tax assets, (net) Rs. 776 million and current tax assets, (net) Rs. 469 million. Other financial assets stood at Rs. 1,463 million as compared to Rs. 1,250 million in the previous year.

**Operational overview:-** Coffee Day Enterprises is present across the following sectors: Coffee, logistics, financial services, leasing, commercial space and hospitality. However, 50% of the consolidated Gross revenue of the Company was contributed by the coffee business during the year under review, followed by 31% from the logistics business and 13% from financial services.



## **COFFEE BUSINESS:-**

Gross Revenue from the Company's consolidated coffee business stood at Rs.21,607 million in 2017-18, contributing 50% to the consolidated topline, representing an increase of 18% over 2016-17. The substantial increase in revenues can be attributed to setting up of new café outlets and deployment of new vending machine.

Revenue from the retail division increased by 12 % from Rs.14,234 million in 2016-17 to Rs.15,907 million over 2017-18. Consolidated net profit of coffee day global ltd increased by 40 % from Rs.264 million in 2016-17 to Rs.370 million in 2017-18.

Coffee Day Global Limited's flagship café chain brand Café Coffee Day (CCD) owns 1722 cafes in 245 cities and 532 CCD Value Express kiosks. The coffee beans and powder are marketed through 403 Fresh and Ground Coffee retail stores.

There are 47,747 vending machines that dispense coffee in corporate workplaces and hotels under the brand. The division serves more than 2 billion cups of coffee per annum. Internationally, CCDs are present in Vienna, Czech Republic, Malaysia Nepal and Egypt.



## **Conclusion:-**

- 1.C.C.D is a fastest growing café in the country.
- 2.The major competitor undoubtable barista.
3. That Café Coffee Day is planning to go international.
- 4.The other major things regarding service marketing is that customers give top priority to the quality of the service/product& ambience.
5. **“A lot can happen over coffee”** message has touched the hearts of youngsters who are the largest consumers of C.C.D.



## **References :-**

- 1) <http://www.cafecoffeeday.com>
- 2) [www.slideshare.com](http://www.slideshare.com)
- 3) <http://en.wikipedia.org/wiki/Marketing>

## Survey:-

Name:- Joshi Nandini

Age: 18-20 20-22 22-24 24-26 20

Profession: student

Sex: (Male / ☒ Female)

Q1) What Coffee Shop do you prefer to go to?

Ans:-Cafe coffee day Costa coffee  
Barista (Lavazza) Others

Q2) How often do you visit a Coffee Shop?

Ans:-Almost daily 2-3 times a week

2-3 times a month Not often

Q3) How much money do you usually spend at a Coffee Shop?

Ans:-0-50 50-100

100-150 150 above

Q4) How much time do you usually spend at a Coffee Shop?

Ans:-Less than  $\frac{1}{2}$  hour  $\frac{1}{2}$  – 1 hour

1 – 2 hours More than 2 hours

Q5) With whom would u like to go to a coffee shop?

Ans:-Family Friends

Business collage None

Q6) What does your favourite coffee shop offers:

Ans:-Superior customer service Always has the kind of coffee that I want Better prices than others Good variety of food