

To,

Date : 06th February 2020

National Stock Exchange of India Limited
Manager-Listing
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel. No. 022-2659 8237/38
Symbol: **COFFEEDAY**

BSE Limited
General Manager- DSC
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Tel No. 022-2272 2039
Scrip Code: **539436**

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub : Clarification regarding news article that appeared in a leading financial daily dated February 6, 2020 titled: “CCD appoints Deloitte to conduct forensic audit of vendors, deals”

With reference to the captioned matter, we wish to clarify the following:

- Coffee Day Global Limited (CDGL), a material subsidiary of Coffee Day Enterprises Limited (CDEL) has mandated Deloitte only for the limited purpose of Vendor Due Diligence (VDD) with respect to proposed stake sale and not for conducting any forensic audit of the vendors or any transactions of CDEL with any other entity.
- CDEL has not ‘defaulted’ on debt of Rs. 489 crore as reported. It is only the amount of loan outstanding as on quarter ended December 31, 2019.
- For the record, the coffee retailing business is part of CDGL and not Café Coffee Day (CCD), which is only a brand name of the Cafes.

The term ‘Vendor due diligence or VDD’ has been erroneously construed with due diligence of vendors. VDD is terminology which is used to describe a process undertaken by the seller for the purpose of carrying out an independent review of an entity for the benefit of prospective investors/PE Fund. Therefore, there is no financial due diligence on any CCD vendor.

As advised to members earlier, CDGL is in dialogue with several prospective buyers including PE funds, who have evinced interest in the company’s business. Their offers are being evaluated.

The executive committee consisting of Professionals, formed after the unfortunate demise of the Founder, Shri V G Siddhartha, has to report the following updates regarding CDEL:

- The day to day operations being managed by a professional team which is ensuring protection of interest of all stakeholder viz., shareholders, lenders, vendors, employees etc.



- Entered into a definitive agreement with Blackstone & Others to divest its entire stake in Global Village Technology Park, for a consideration of Rs. 2,700 crore. The receipts of the first tranche of these funds will accordingly reduce the debt by Rs. 1,700 crore.
- Engaged in active negotiations for dis-investment of its stake in Sical Logistics Limited to further reduce the debt.
- The debt levels have reduced significantly from Rs. 7,200 crore at the beginning of the financial year (April 2019) to around Rs. 4,800 crore and is looking forward to end the financial year 2019-20 with a reduced debt levels of Rs. 1,800 crore.
- Despite various challenges, the management has ensured continuity in the business operations. The current management is working steadfast to ensure better liquidity and operational efficiency.

The Board in their meeting held on August 30, 2019 had appointed Mr. Ashok Kumar Malhotra, retired DIG of Central Bureau of Investigation (CBI) to investigate into the circumstances leading to statements made in the letter of the former Chairman late V.G. Siddhartha dated July 27, 2019 and to scrutinize the books of accounts of the Company and its subsidiaries. The said assignment is under progress and has taken long time due to coverage of as many as 48 subsidiary companies and the Investigation Report is likely to be tabled shortly. The delay in submission of Limited review financials for the last two quarters is mainly due to non-completion of investigation report. The limited review financials will be submitted after the completion of investigation report which will help invoke the suspension of trading in the stock exchange.

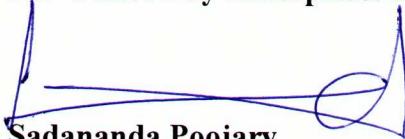
CDEL is confident of the future ahead despite the recent developments and has received unconditional support from its employees, shareholders and partners.

CDEL will continue to make timely disclosures in terms of SEBI (LODR) Regulations, 2015 to the Exchanges for the information of all the stakeholders.

Kindly take the same on record of the same and disseminate

Thank You

For Coffee Day Enterprises Limited



Sadananda Poojary
Company Secretary & Compliance Officer

