

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
Symbol: COFFEEDAY**

**BSE Limited
General manager-DSC
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001
Tel No. 022-2272 2039/37/3121
Scrip Code: 539436**

Dear Sir/s,

11th February, 2023

Regulation 33(3) & 30 of SEBI (LODR) Regulations, 2015: Outcome of Board Meeting for Consideration of Un-Audited Financial Results of the Company and the Un-Audited Financial Results of its Material Subsidiary, Coffee Day Global Limited for the Quarter/ nine months ended 31st December 2022

This is to inform you that at the meeting held today, the Board of Directors of our Company have approved the Standalone & Consolidated Un-Audited Financial Results of the Company for the quarter/nine months ended 31st December, 2022, the meeting commenced at 6:45 PM and ended at 8:10 PM

Enclosures:

- A copy of the "Financial Highlights" of Coffee Day Enterprises Limited & Coffee Day Global Limited is attached herewith.
- A copy of the statement of Standalone & Consolidated Un-Audited financial results of the Company and the statement of Consolidated Un-Audited financial results of its subsidiary, Coffee Day Global Limited along with the Limited Review Report of Auditors is attached herewith.

Kindly take the same on record.

Thanking you,

Yours Truly,

For Coffee Day Enterprises Limited



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





Coffee Day Enterprises Limited
Financial Highlights

Rs in Crores (Crs)

<u>Q3FY23</u>	<u>YTDFY23</u>
Revenue at Rs. 244 Crs; up 33% YoY	Revenue at Rs. 683 Crs; up 66% YoY
EBITDA at Rs. -330 Crs vs 41 Crs YoY	EBITDA at Rs. -247 Crs vs 22 Crs YoY
Net profit after tax at Rs. -402 Crs vs 20 Crs YoY	Net loss after tax at Rs. 413 Crs vs 173 Crs YoY

Part - I: Details of Financial performance

Particulars	Q3FY23	Q2FY23	Q2FY22	YoY	YTDFY23	YTDFY22	YoY
				Growth %			Growth %
Revenue	244	229	183	33%	683	412	66%
EBIDTA	(330)	51	41	-905%	(247)	22	-1223%
Net Profit/(loss) attributable to owners	(402)	6	20	-2110%	(413)	(173)	139%

Note

EBIDTA and Net Profit attributable to owners for YTDFY23 & Q3FY23 includes an amount of Rs.Rs.391.68 crores receivable from Sical Logistics Limited and its group entities which has been written off as per the NCLT order dated 8th December 2022.



Ranganath



Subsidiary

Coffee Day Global Limited- Coffee Business

Financial Highlights (unaudited)

<u>Q3 - FY 2023</u>	<u>9M - FY 2023</u>
Net Revenue - Rs. 231 Crs; up 46% YOY	Net Revenue - Rs. 639 Crs; up 84% YOY
Operational EBITDA - Rs. 24 Crs; up 55% YOY*	Operational EBITDA - Rs. 65 Crs; up 432% YOY*

Note: figures has been rounded off for the purpose of reporting, previous quarter figures are regrouped/reclassified to match with current quarter.

Details of Financial performance (unaudited)

Particulars	Q3 - 23	Q2 - 23	Q3 - 22	Q3 - YOY	FY 22
Net Operational Revenue	231	219	158	46%	496
Operational EBITDA*	24	24	16	55%	34
Profit after Tax	(65)	(12)	(23)	-182%	(112)

Particulars	Q3 - 23	Q2 - 23	Q3 - 22
Average Sales Per Day (ASPD)	21,216	20,829	17,401
Same Store Sales Growth (SSSG)	60.8%	90.0%	57.2%

Particulars	Q3 - 23	Q2 - 23	Q3 - 22
Café outlets count	472	480	501
Vending Machines count	49,172	47,780	44,420

*Excluding abnormal items

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Independent Auditor's Limited review report on the Unaudited Consolidated Quarterly Financial results of Coffee Day Enterprises Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

Board of Directors of Coffee Day Enterprises Limited

1. We were engaged to review the accompanying Statement of unaudited consolidated financial results of Coffee Day Enterprises Limited ('the Parent Company') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net loss after tax and total comprehensive income of its associates and joint ventures for the quarter ended December 31, 2022 ('the Statement'), being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. It is the responsibility of the Parent Company's Management and Board of Directors to compile this Statement from the individual final accounts prepared by the management of the subsidiaries in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Parent Company's Board of Directors.
3. Our responsibility is to conduct a review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain





assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We are also responsible for performing procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as per the attached Annexure I.

5. Basis for disclaimer of conclusion

- a. Disclaimer of opinion has been expressed in the reports of the Parent Company with regard to the preparation of financial statements. It is observed that there has been a change in the percentage of shares held by the Company in two of its subsidiaries as of December 31, 2022 vis-à-vis March 31, 2019, due to the invocation of shares by the lenders of the subsidiaries. However, while considering the amount invested in the subsidiaries, the Management of the Company has considered the erstwhile shareholding pattern prior to dilution as the Management believes that the change in shareholding is temporary in nature and the shares pledged will be redeemed back by the Company (refer to Note 17 of the Statement). However, these shares have been transferred to such lenders before December 31, 2022. We have been informed that the lenders have not sold any of the shares invoked and consequently have not made any adjustments to the loan outstanding. Accordingly, the Management believes that it is not possible to attribute any sale value to the invoked shares. Consequently, the impact of the said transfer on the book value of invoked shares of INR 156 Crores on the standalone financial statements cannot be ascertained.

Further, the impact of the aforesaid on this Statement, including but not limited to the profit attributable to the non-controlling interest in the Company, cannot be ascertained. Accordingly, the level of compliance to the requirements of the Indian Accounting Standards cannot be ascertained by us.

- b. In a letter dated July 27, 2019 signed by late Mr. V. G. Siddhartha, the Promoter and then Chairman and Managing Director of the Parent Company, which has come to light,





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it was inter-alia stated that the Management and auditors were unaware of all his transactions. Attention is drawn to Note 5 of the Statement, wherein, consequently, the Board of Directors have initiated an investigation into the circumstances leading to the statements made in the letter and to scrutinize the books of accounts of the Company and its subsidiaries.

The investigation report submitted on July 24, 2020 has concluded that a sum of INR 3,535 Crore is due from MACEL a related entity to the subsidiaries of CDEL as on July 31, 2019. The report further concludes that out of this sum, INR 842 Crore was due to the subsidiaries as on March 31, 2019 and the balance sum of INR 2,693 Crore is the incremental outstanding which needs to be addressed. Further, the Board of the Company in the board meeting on August 21, 2020, appointed Retired Hon'ble Justice Sri K L Manjunath, former Judge of Hon'ble High Court of Karnataka to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

Due to the demise of Sri K. L. Manjunath, the Board, in their meeting held on February 7, 2022 appointed Hon'ble Mr. Justice H N Nagamohandas, a retired Judge of High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

Hon'ble Mr. Justice H N Nagamohandas has recommended filing a commercial suit against MACEL for recovery of amounts by 6 subsidiaries and one Joint venture of the company in the board meeting dated 25.07.2022 and the same was conveyed to respective board of the 6 subsidiaries and one joint venture

However, in the recent adjudication order dated 24.01.2023 of SEBI the company has been directed to appoint a law firm to take all necessary steps for recovery of entire dues from MACEL and its related entities, along with due interest, that are outstanding to the subsidiaries.

Further, the Auditors of 1 subsidiary, which in turn has 5 step-down subsidiaries and 2 joint ventures, along with the auditors of 3 subsidiaries and 1 step-down subsidiary,





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based on their review, have issued a disclaimer of conclusion due to the possible impact of the recoverability of dues from MACEL.

- c. Attention is drawn to Note 21 of this statement wherein a final adjudication order dated 24.01.2023 has been served on the company under section 11 (11(4), 11(4A), 11B and 11B (of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 by SEBI imposed with a total monetary penalty of Rs.26,00,00,000 (Rupees Twenty-Six Crore) under Section 15HA and Section 15HB of the SEBI Act, 1992 respectively on account of violations of provisions of Section 12A(a), (b) & (c) of the SEBI Act, 1992 read with Regulations 3(b), (c) & (d) and 4(1) of the PFUTP Regulations as stated in Para 59 and 60 of its order relating to the advances to MACEL by the subsidiaries of the Company and in respect of which no provision for the liability has been considered in the accounts.

The order further directed the company to appoint a law firm, of standing and repute, within 60 days of the order to take all necessary steps for recovery of entire dues from MACEL and its related entities, along with due interest, that are outstanding to the subsidiaries. SEBI further directed the company to file a quarterly report with NSE / CDEL Board, detailing the progress in the recovery process.

The tenure of the law firm appointed in terms of sub-para (b) above shall be until the lapse of three months from the date of conclusion of three annual general meetings of CDEL, held after passing of this order or till the dues are recovered, whichever is earlier.

The company is in consultation with legal experts on further course of action and hence is of the opinion that no provision is required to be made in the accounts for the penalty. Under these circumstances, we are unable to comment on the consequential impact of this order on these financial results.



- d. In respect of the Holding Company and some of the subsidiaries, there are instances of non-compliance with certain debt covenants and defaults in repayment of interest





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and borrowing as per the schedule of repayment. We have been informed that during the year certain lenders have exercised their right to recall the loan and some lenders have initiated legal action to recover dues (refer Note 8, 11, 13, 14 & 15 of the Statement). However, in the absence of the adequate evidence, we are unable to comment on the consequential adjustments that might impact this Statement on account of non-compliance with debt covenants.

Further, in view of the loan recall notices, legal disputes and pending one-time settlement with the lenders of the Company, the Management has not recognised interest on the loans outstanding as of December 31, 2022. As the loan recall letters provided by the lenders requires payment of interest, non-provision of interest is not in line with the accrual concept of accounting.

Further, the auditors of the Parent Company and one Subsidiary have issued a qualified opinion and the auditors of two Subsidiaries and one Step Down Subsidiary have emphasized this matter.

- e. Impairment for Goodwill amounting to Rs.361 Crores arising on consolidation has not been considered in the consolidated financial statement (Refer Note 6 of the Statement). The said impairment is required by Ind AS 36, 'Impairment of Assets', in view of the developments including the investigation report submitted to the Company. The last drawn valuation report provided to us by the Company was dated March 31, 2019. We are therefore unable to comment on whether any provisions on account of impairment is required and the impact of the same on this Statement.
- f. The auditor of one step-subsiary has expressed a disclaimer of opinion due to the fact that the interim financial results are prepared based on going concern assumption despite erosion of net-worth. It is further explained that there is no material effect on these Interim financial results if the going concern concept is not adopted.
- g. The Consolidated Financial results of the Group have been prepared by the Management and Board of Directors using the going concern assumption (refer Note 9 of the Statement). The matters detailed in the above paragraphs may have





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a consequential implication on the Group's ability to continue as a going concern. The same has been highlighted by the auditors of the entities consolidated to this Statement as well. However, the Group is confident of meeting its obligations in the normal course of business and accordingly the accounts of the Group have been prepared on a Going Concern Basis.

6. Disclaimer of conclusion

In view of the nature of the matters described in paragraph 5, '**Basis for disclaimer of conclusion**'; above for which absence of sufficient evidence has resulted in limitation on work and the consequent adjustments not being determined and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, we are unable to state whether the accompanying Statement has been prepared in accordance with the recognition and measurement principles laid down in the relevant Indian Accounting Standards and other accounting principles generally accepted in India, or that the Statement discloses the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement. Thus, we do not express a conclusion on the accompanying financial results.

7. Emphasis of Matter

- a. The Parent Company along with 1 of its subsidiaries has entered into an Agreement to sell Way2Wealth Securities Private Limited and its certain subsidiaries to Shriram Ownership Trust ('the purchaser') (refer Note 10 of the Statement). Based on the agreement, INR 12.10 Crore is receivable by the company in form of preceding year's tax refunds and SEBI deposits from the purchaser in form of reimbursement, subject to realisation. Further a sum of INR 2 Crore has been withheld by the purchaser per the agreement. An exceptional profit of INR 15.51 Crore has been recognised on the said sale transaction at the Group level for the financial year 2020-21.
- b. The auditor of 1 subsidiary has emphasized (refer to Note 18 of the Statement) on the outstanding income tax dues of INR 106.95 crores relating to assessment year 2019-20 and 2020-21.





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- c. In case of the Parent Company, and one step-down subsidiary, the concerned auditors have emphasized that balance confirmations in case of certain borrowings have not been provided to them. Reliance is placed on the books of accounts provided by the Management (refer Note 20 to the Statement).
- d. The auditors of one subsidiary, which in turn has three step-down subsidiaries and two joint ventures have drawn attention to the details of cases filed against the company before NCLT (refer Note 12 of the Statement). Further, the auditors have also emphasized that interest expense of INR 69.29 Crores in respect of credit facilities from two lenders has not been recognized. Further the auditors of one subsidiary has emphasised that interest expense to the extent of Rs.5.64 Crores has not been provided for. Similarly the auditor of one step-subsiary has emphasised that interest expenses to the extent of Rs.1.39 crores has not be provided for.
- e. Further, auditors of one subsidiary, which in-turn has two subsidiaries, emphasized that they have relied on management representation letter for Assets and Liabilities shown under "Asset Held for sale" and "Liability in connection with asset held for sale" respectively (refer Note 24 of the Statement).
- f. The Parent Company & one subsidiary (refer to Note 7 of this Statement) have filed an application seeking a one-time exemption from registering itself as a Non-Banking Financial Company (NBFC) as required by Section 45-IA of the Reserve Bank of India Act, 1934 and other related provisions. As at the date of this Statement a response from the Reserve Bank of India is awaited.
- Further, the same has also been emphasized by us in the report of the Parent Company.
- Our conclusion is not modified in respect of the above matters.





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- g. We draw attention to the Note 16 of the Statement, wherein it is described that on March 10, 2021, the National Company Law Tribunal ('NCLT') has initiated Corporate Insolvency Resolution Process ('CIRP') against one of the key step-subsiaries of the Group, namely M/s. Sical Logistics Limited. Based on the orders of the NCLT the company along with its subsidiaries have written off receivables aggregating to an amount of Rs.391.68 Crores of receivables from SICAL.

Further subsidiaries of the Company have written off investment amounting to Rs.7.45 Crores held in SICAL.

These matters have been emphasised in the respective Limited Review Reports.

- h. We draw attention to Note 25 of the Statement, wherein the auditor of one subsidiary which has five step-subsiaries and two joint ventures has drawn emphasis on the fact that one of its subsidiaries has sold properties and has recognised a profit on sale to the extent of Rs.19.5 crores in the profit and loss statement.
- i. We draw attention to Note 26 of the Statement, wherein the auditor of one subsidiary which has five step-subsiaries and two joint ventures has drawn emphasis to the fact that one of its subsidiaries has written off old fixed assets to the tune of Rs.19 crores.
- j. We further draw attention to Note 27 of the Statement, wherein the auditor of one subsidiary has emphasised that an agreement for purchase of land at Mumbai had been entered into with one party based on which the company had advanced Rs.275 Crores. The land has been subsequently acquired by City & Industrial Development Corporation (CIDCO) nodal agency for acquiring land for Navi Mumbai International Airport. CIDCO has proposed alternative land in lieu of the acquisition of land. The party has filed legal case for monetary compensation instead of alternate land.





8. Other matters

- a. The unaudited financial results of eleven subsidiaries included in the Statement (reviewed by other auditors) reflect the Group's total revenues of INR 727.72 Crore for the period ending December 31, 2022, as considered in the unaudited consolidated financial results. The unaudited financial results reviewed by other auditors whose reports have been furnished to us by the Management, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based on the reports of the other auditors.
- b. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect less than 1 percent of the Group's total revenues for the period ended on that date, as considered in the Statement. These financial statements have been certified by the management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the management certified financial statements.
- c. Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries/associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by the respective auditors.
- d. Further, we did not audit the financial statement of 2 Joint Ventures (including its subsidiary) and 1 associate whose share of loss of INR 1.01 Crore is considered in the Statement. These financial statements have been certified by the Management. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included





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in respect of these joint venture is based on the management certified financial statements.

- e. Further, we draw your attention to Note No. 19 to the statement where few of the lenders of three subsidiaries, twostep-down subsidiaries and three joint ventures have taken initiative to undertake a debt resolution process for the company under RBIs 7th June 2019, circular (Prudential Framework for Resolution of Stressed Assets) and have signed an Inter Creditor Agreement (ICA). Remaining lenders of the subsidiary are in the process of signing the ICA.
- f. Further, we draw your attention to Note No. 22 to the statement where on 18 May 2022 Magnasoft Consulting India Private Limited (MCIPL) had issued right shares to the existing shareholders. On account of which one subsidiary which had one step-down subsidiary has lost the control on the step-down subsidiary. Post right issue MCIPL has become associate to CDTL and Gain of Rs. 3.18 crores recognised on loss of control.
- g. We further draw your attention to the Note 28 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the company's financial results. The same will depend on future developments, which are highly uncertain. The same has also been emphasized by the other Auditors of the Group.

For **Venkatesh & Co.,**

Chartered Accountants

Firm registration number: 004636S




CA Desikan G

Partner

Membership Number: 219101

UDIN: 23219101BGUWNR8232

Chennai, February 11, 2023





Annexure I to the Audit Report

List of subsidiaries, associates and joint ventures included in the consolidated annual financial results:

S. No.	Name of the entity	Relationship
1	Coffee Day Global Limited	Subsidiary
2	Tanglin Developments Limited	Subsidiary
3	Coffee Day Hotels and Resorts Private Limited	Subsidiary
4	Coffee Day Trading Limited	Subsidiary
5	Coffee Day Kabini Resorts Limited	Subsidiary
6	Tanglin Retail Realty Developments Private Limited	Subsidiary
7	A.N Coffee day International Limited	Subsidiary
8	Classic Coffee Curing Works	Subsidiary
9	Coffeelab Limited	Subsidiary
10	Coffee Day Gastronomie Und Kaffeehandles GmbH	Subsidiary
11	Coffee Day CZ a.s	Subsidiary
12	Way2Wealth Capital Private Limited	Subsidiary
13	Way2Wealth Enterprises Private Limited	Subsidiary
14	Calculus Traders LLP	Subsidiary
15	Girividhyuth India Limited	Subsidiary
16	Wilderness Resorts Private Limited	Subsidiary
17	Karnataka Wildlife Resorts Private Limited	Subsidiary
18	Magnasoft Consulting India Private Limited	Associate
19	Barefoot Resorts and Leisure India Private Limited	Associate
20	Coffee Day Schaerer Technologies Private Limited	Joint Venture
21	Coffee Day Consultancy Services Private Limited	Joint Venture





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S. No.	Name of the entity	Relationship
22	Coffee Day Econ Private Limited	Joint Venture
23	Way2Wealth Securities Private Limited *	Subsidiary
24	Sical Logistics Limited **	Subsidiary
25	Sical Infra Assets Limited**	Subsidiary
26	Sical Iron Ore Terminal Limited **	Subsidiary
27	Sical Iron Ore Terminal (Mangalore) Limited **	Subsidiary
28	Sical Connect Limited **	Subsidiary
29	Sical Mining Limited **	Subsidiary
30	Sical Washeries limited **	Subsidiary
31	Sical Saumya Mining Limited **	Subsidiary
32	Sical Bangalore Logistics Park Limited **	Subsidiary
33	Sical Supply Chain Solution Limited **	Subsidiary
34	Bergen Offshore Logistics Pte. Limited **	Subsidiary
35	Sical Multimodal and Rail Transport Limited **	Subsidiary
36	Sical Logixpress Private **	Subsidiary
37	PAT Chems Private Limited **	Subsidiary
38	Develecto Mining Limited **	Subsidiary
39	Way2Wealth Brokers Private Limited *	Subsidiary
40	Way2Wealth Insurance Brokers Private Limited *	Subsidiary
41	Way2Wealth Commodities Private Limited *	Subsidiary
42	PSA Sical Terminals Limited **	Joint Venture
43	Sical Sattva Rail Terminal Private Limited **	Joint Venture

Upto November 19, 2020



Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866

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

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Statement of consolidated financial results for the quarter and nine months ended 31 December 2022

Rs in crores

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	243.85	229.16	183.49	683.49	411.77	581.58
	Other income	20.56	20.82	5.17	44.23	19.32	76.30
	Total income	264.40	249.98	188.67	727.72	431.09	657.88
2	Expenses						
	Cost of materials consumed	95.95	94.27	56.80	267.60	119.46	175.98
	Purchases of stock-in-trade	0.71	0.58	0.71	2.02	1.51	2.15
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.51	(3.96)	0.38	(0.41)	0.35	(0.10)
	Employee benefits expense	31.74	33.19	37.24	102.00	108.30	149.21
	Finance costs	26.61	14.20	(13.04)	58.02	94.79	53.46
	Depreciation and amortization expense	48.13	32.08	34.50	112.82	114.53	147.52
	Other expenses	463.16	75.35	53.09	611.20	176.74	254.91
	Total expenses	669.80	245.71	169.69	1,153.26	615.68	783.15
3	Profit/(loss) before share of profit/(loss) from equity accounted investees, exceptional items and tax (1 - 2)	(405.40)	4.27	18.98	(425.54)	(184.59)	(125.27)
4	Exceptional items (refer note 22)	-	-	-	3.18	-	-
5	Profit/(loss) before share of profit/(loss) from equity accounted investees, and tax (3 + 4)	(405.40)	4.27	18.98	(422.36)	(184.59)	(125.27)
6	Share of profit / (loss) from equity accounted investees (net of income tax)	0.59	0.13	0.39	4.35	(2.48)	(2.64)
7	Profit/(loss) before tax (5 + 6)	(404.81)	4.40	19.37	(418.02)	(187.07)	(127.91)
8	Tax expense	3.69	0.05	0.57	4.14	2.33	2.82
9	Profit/(loss) for the period (7 - 8)	(408.50)	4.35	18.80	(422.16)	(189.40)	(130.73)
	Attributable to owners of the company	(402.06)	5.67	20.47	(413.09)	(172.94)	(120.61)
	Attributable to non-controlling interests	(6.44)	(1.32)	(1.67)	(9.07)	(16.46)	(10.12)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss, net of tax	(8.04)	0.40	4.29	(11.13)	10.04	8.62
	Items that will be reclassified to profit or loss, net of tax	-	-	(0.00)	0.14	-	(0.03)
10	Other comprehensive income for the period, net of tax	(8.04)	0.40	4.29	(10.99)	10.04	8.59
	Attributable to owners of the company	(8.03)	0.39	4.29	(11.03)	10.03	8.47
	Attributable to non-controlling interests	(0.01)	0.01	0.00	0.04	0.01	0.12
11	Total comprehensive income for the period (9 + 10)	(416.54)	4.75	23.09	(433.15)	(179.36)	(122.14)
	Attributable to owners of the company	(410.09)	6.06	24.75	(424.11)	(162.91)	(112.14)
	Attributable to non-controlling interests	(6.45)	(1.31)	(1.66)	(9.04)	(16.45)	(10.00)
12	Paid-up equity share capital (face value of Rs 10 each)	211.25	211.25	211.25	211.25	211.25	211.25
13	Reserves excluding revaluation reserves	-	-	-	-	-	3,393.27
14	Earnings per share:						
	Basic earnings per share (In Rs.)	(19.03)	0.27	0.97	(19.55)	(8.19)	(5.71)
	Diluted earnings per share (In Rs.)	(19.03)	0.27	0.97	(19.55)	(8.19)	(5.71)

See accompanying notes to the consolidated financial results



Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866

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

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Segment Information

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the Group's 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 and related business, Hospitality services and others.

Financial information on our consolidated reportable operating segments for the quarter and nine months ended 31 December 2022 is set out as below:

Rs in crores

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue						
	a) Coffee and related business	231.08	218.59	157.86	639.30	347.55	496.26
	b) Hospitality services	12.90	10.74	13.41	37.96	27.31	37.53
	c) Others	0.73	0.61	12.98	8.65	38.54	50.13
	Total	244.71	229.94	184.25	685.90	413.39	583.92
2	Segment result (EBITDA)						
	a) Coffee and related business	9.81	29.90	32.86	72.66	15.08	63.00
	b) Hospitality services	4.94	3.16	5.93	14.51	9.46	11.56
	c) Others	(344.83)	17.61	2.03	(334.34)	(2.28)	(1.48)
	Total	(330.08)	50.67	40.83	(247.17)	22.26	73.08
3	Reconciliation to consolidated financial results						
	Segment revenue	244.71	229.94	184.25	685.90	413.39	583.92
	Less: reconciling items						
	Inter-segment revenue	0.86	0.78	0.76	2.41	1.62	2.34
	Revenue from operations	243.85	229.16	183.49	683.49	411.77	581.58
	Segment result	(330.08)	50.67	40.83	(247.17)	22.26	73.08
	Less: reconciling items						
	Depreciation and amortisation expense	48.13	32.08	34.50	112.82	114.53	147.52
	Finance costs	26.61	14.20	(13.04)	58.02	94.79	53.46
	Tax expense, net	3.69	0.05	0.57	4.14	2.33	2.82
	Profit/(loss) for the period	(408.50)	4.34	18.79	(422.15)	(189.39)	(130.73)

See accompanying notes to the consolidated financial results

Notes to the segment information:

a) Segment result represents EBITDA i.e. earnings before interest expense, depreciation / amortisation expense and tax. For the purpose of segment reporting, the Company has included share of profit from equity accounted investees under respective business segments.



Ranganath SW

Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866

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

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Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2022

- 1 The consolidated financial results of Coffee Day Enterprises Limited ("Parent Company" or "CDEL" or "Company") and its subsidiaries (collectively known as 'Group') and its associates and joint ventures have been prepared by the management of the Parent Company which has been consolidated based on the consolidated and as well as standalone financial results prepared by the management of respective subsidiaries, associates and joint Ventures and approved by Board of Directors of respective subsidiaries, associates and joint Ventures in accordance with the recognition and measurement principals laid down in Indian Accounting Standard (referred to as 'Ind AS') 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) as amended from time to time and other accounting principles generally accepted in India and in terms of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "Listing Regulations").

The consolidated figures above include figures of the subsidiaries including step-down subsidiary companies namely Coffee Day Global Limited, A.N Coffee day International Limited, Classic Coffee Curing Works, Coffee lab Limited, Coffee Day Gastronomie Und Kaffeehandles GmbH, Coffee Day CZ, Way2Wealth Capital Private Limited, Way2Wealth Enterprises Private Limited, Calculus Traders LLP, Coffee Day Hotels and Resorts Private Limited , Wilderness Resorts Private Limited, Karnataka Wildlife Resorts Private Limited, Coffee Day Trading Limited, Magnasoft Consulting India Private Limited (till 18 May 2022), Magnasoft Europe Limited (till 18 May 2022), Magnasoft Spatial Services Inc.(till 18 May 2022), Coffee Day Kabini Resorts Limited , Tanglin Developments Limited , Tanglin Retail Reality Developments Private Limited and Girividhyuth India Limited.

The consolidated net profit/(loss) presented includes Group's share of profit / loss from joint ventures namely Coffee Day Consultancy Services Private Limited, Coffee Day Econ Private Limited, Coffee Day Schaerer Technologies Private Limited, and the Group's share of profits/(loss) from associate Barefoot Resorts and Leisure India Private Limited, Magnasoft Consulting India Private Limited, Magnasoft Europe Limited and Magnasoft Spatial Services Inc..

- 2 The Statement of unaudited consolidated financial results ('the Statement') of the Group for the quarter ended and nine months ended 31 December 2022 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 11 February 2023.
- 3 The Statutory Auditors have expressed disclaimer of conclusion in the limited review report in respect of the Statement being filed with Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and is also available on the Company's website www.coffeeday.com. Pursuant to the provisions of Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. The figures for the year ended 31 March 2022 are audited and other period figures are only been reviewed and not subjected to audit.

- 4 Information of standalone financial results of the Company:

(Rs in Crores)

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income from operations	4.85	4.13	4.75	13.98	9.67	13.72
Profit/(loss) for the period before tax	0.71	(0.29)	36.15	(1.82)	(2.33)	(3.49)
Profit/(loss) for the period after tax	0.71	(0.29)	36.15	(1.82)	(2.33)	(3.49)



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Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2022

- 5 The Board of Directors of the Company at their meeting held on 30 August 2019 appointed Mr. Ashok Kumar Malhotra, retired DIG of Central Bureau of Investigation (CBI), who is assisted by Agastya Legal LLP (led by its senior partner Dr. M R Venkatesh) to independently investigate the circumstances leading to the statements made in the letter of the Promoter and the then Chairman and Managing Director of the Company, late Mr. V. G. Siddhartha dated 27 July 2019 and to scrutinize the books of accounts of the Company and its subsidiaries. Investigation had completed on 24 July 2020 and the report had mentioned MACEL owes a sum of Rs.3,535 crores to the subsidiaries of CDEL as at 31 July 2019. Out of the above, a sum of Rs.842 crores was due to these subsidiaries by MACEL as at 31 March 2019 as per the Consolidated Audited Financial Statements. Therefore, a sum of Rs.2,693 crores is the incremental outstanding that needs to be addressed. On receipt of the summary of the Investigation report addressed to the Board of Coffee Day Enterprises Limited. The subsidiaries noted it and forwarded it to the Board of Mysore Amalgamated Estates Limited and have asked them to provide the subsidiaries with a repayment plan within 15 days for the amount due to the subsidiaries as on 31st July 2019. The board of CDEL authorized its Chairman to appoint an ex-judge of the Hon. Supreme Court or the Hon. High Court, or any other person of eminence, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

In the background of above the Board of Directors of the company, in the board meeting held on 21.08.2020, appointed Retired Hon'ble Justice Sri.K.L.Manjunath, former Judge of Hon'ble High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

The Company vide its letter dated 21.08.2020 has made a Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 to the National Stock Exchange of India Ltd, and Bombay Stock Exchange Limited, of the appointment of Retired Hon'ble Justice Sri.K.L.Manjunath former Judge of Hon'ble High Court of Karnataka to suggest and oversee actions for recovery of dues from Mysore Amalgamated Coffee Estates Ltd.

Retired Hon'ble Justice Sri.K.L.Manjunath was demised on 23.01.2022. Due to the unfortunate demise of Hon'ble Justice Sri.K.L.Manjunath, The Board in their meeting held on 7.02.2022 appointed Hon'ble Mr. Justice H N Nagamohandas, a retired Judge of High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters. At the Board meeting held on 25.07.2022, Hon'ble Justice H N Nagamohandas recommended to the board to file a commercial suit against MACEL for recovery of dues by 6 subsidiaries and joint venture of the company. The Board conveyed the same to 6 subsidiaries and one joint venture of the company and has instructed to take necessary legal action. Based on the advice of justice H N Nagamohandas, 6 subsidiaries and one joint venture of the Company has filed Pre-Institution Mediation on 05.08.2022 before District Legal Services Authority (DLSA), Bengaluru Urban. The DLSA has closed the said application and issued Form 3 - Non Starter Report. Accordingly the subsequent process under the commercial suit is to be decided.

As on 31.12.2022 the amount due by MACEL to various subsidiaries and joint venture of the company amounts Rs.3,424.25 crores.

- 6 The Group has goodwill amounting to Rs. 361 crores as at 31 December 2022. Out of this, Rs.319 crores pertains to the subsidiary Coffee Day Global Limited. The impairment assessment was last carried out on 31 March 2019.



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Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2022

- 7 The financial income of the Company and Coffee Day Trading Limited ('CDTL') earned during the year ended 31 March 2020 constitutes more than 50% of its total income for the said period and financial assets constitutes more than 50% of its total assets as at 31 March 2020, thereby requiring these entities to register themselves as Non-Banking Financial Companies ('NBFC') with the Reserve Bank of India (RBI) as per the requirements of Section 45-IA of Reserve Bank of India Act, 1934. On 13 March 2020, the Company and Coffee Day Trading Limited have made an application to the Deputy General Manager of the Department of Non-Banking Supervision requesting for a one-time exemption from obtaining registration as NBFC under the provisions of RBI. As of the date of this Statement, the Company and CDTL are awaiting response from RBI.
- 8 On 5 January 2023, the Company made a Disclosure in terms of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 for the quarter ended 31 December 2022 regarding the defaults on payments of Interest/Repayment of principal amount on loans from Banks/ Financial institutions and unlisted debt securities.
- 9 These unaudited consolidated financial results for the quarter and nine months ended 31 December 2022 have been prepared on a going concern basis in view of the positive net worth of the Group amounting to Rs 3,356 crores as of 31 December 2022, significant value in underlying businesses managed by subsidiaries / joint ventures / associates, established track record of the Group to monetize its assets as demonstrated by stake sale in Mindtree Limited , sale of Global Village Tech Park owned by its wholly-owned subsidiary Tanglin Developments Limited, sale of Way2Wealth Group entities, operational efficiencies and consequential ability to service its obligations.
- 10 On 19.11.2020, the company and its subsidiary Tanglin Developments Limited has entered into an Agreement to Sell the Shares of Way2Wealth Securities Private Limited including its certain subsidiaries to Shriram Ownership Trust. The transaction was set at a Purchase Consideration is Rs.55.66 crores, which has been fully received by the company in the current financial year except for the withheld consideration of Rs.2 crores. Another Rs.12.10 crores is receivable by the company in form of preceding years Tax refunds and SEBI deposits from the purchaser (Shriram Ownership Trust) which is in form of reimbursement, subject to realisation by the purchaser (Shriram Ownership Trust).
- 11 The Group has borrowings amounting to Rs. 1,772 crores as at 31 December 2022. There have been certain covenant breaches with respect to certain borrowings taken by the group from various lenders. Such breaches entitle the lenders to recall the loan. On the date of this statement, there have been certain defaults in repayments of principal and/or interest of the loans and certain lenders have exercised their rights including recall the loans. Some of the lenders initiated legal process to recover the dues.

In view of the loan recall notices, legal disputes and pending onetime settlement with the lenders of the Company, the company has not recognised interest of Rs.15.1 crores and Rs.45.3 crores for the quarter and nine months ended 31 December 2022(Rs.52 crores for the period April 2021 to 31 December 2021).



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Coffee Day Enterprises Limited

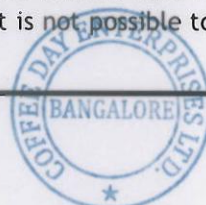
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**COFFEE
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Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2022

- 12 One of the lenders of Coffee Day Global Limited (subsidiary) has made an application as financial creditor before National Company Law Tribunal (NCLT) for recovery of the dues during the previous quarter. NCLT dismissed the application. The NCLT has also dismissed an application against the Coffee Day Global Limited (subsidiary) from one of its creditors for recovery of its dues. Both the lender and the creditor have filed an application in NCLAT, appealing against the order and NCLAT has dismissed the appeal filed by the creditor. Another lender, who is a financial creditor of the Coffee Day Global Limited (subsidiary), has filed an application with NCLT for recovery of its dues, during the quarter under review. The management Coffee Day Global Limited (subsidiary) has its draft restructuring plan, decided not to provide interest on its borrowings outstanding for the quarter and nine months ended 31 December 2022 of Rs. 23.70 crores and Rs.69.29 crores. (Financial year 2021-22 - Rs. 97.07 crores). During the quarter, Yes Bank Limited, has absolutely assigned and transferred all the rights, title and interests in the financial assets pertaining to M/s.Coffee Day Global Limited, together with the security created thereof in favour of J.C.Flowers Asset Reconstruction Private Limited, vide assignment agreement executed in favour of J.C.Flower. The loan outstanding as per books of accounts as on 31.12.2022 is Rs.118.69 Crores.
- 13 Due to default in payment of interest and principal, one of the lenders of the Coffee Day Hotels and Resorts Private Limited (subsidiary), has sent "loan recall" notice, initiated legal action for recovery of its dues and filed Insolvency Resolution Petition before NCLT, Bangalore. In view of the loan recall notice, legal disputes and pending onetime settlement with the lenders, the company has not recognised the interest of Rs.3.34 crores and Rs.9.98 crores for the quarter and nine months ended 31 December 2022 (Rs.9 crores for the period April 2021 to 31 December 2021).
- 14 Due to default in payment of interest and principal to the lenders, the lenders have sent "loan recall" notices to the Tanglin Developments Limited (Subsidiary). In view of the loan recall notices and pending onetime settlement with the lenders, the company has not recognised the interest of Rs.1.89 crores and Rs.5.64 crores for the quarter and nine months ended 31 December 2022(Rs.Nil for the period April 2021 to 31 December 2021).
- 15 Due to default in payment of interest and principal to the lenders of Tanglin Retail Reality Developments Private Limited (subsidiary) and pending onetime settlement with the lenders, the company has not recognised the interest of Rs.0.47 crores and Rs.1.39 crores for the quarter and nine months ended 31 December 2022(Rs.Nil for the period April 2021 to 31 December 2021).
- 16 In the 4th quarter of FY 20-21 (10.03.2021) the NCLT has initiated Corporate Insolvency Resolution Process of Sical Logistics Limited(SLL). Resolution plan submitted by the Resolution Applicant - Pristine Malwa Logistics Park Private Limited has been approved by the Hon'ble NCLT Chennai Bench, vide its order dated 8th December 2022. As per the said order read with the approved Resolution Plan, "Nil" payment is payable against the amounts due to related parties of SLL.Under the above circumstances the group has written off the amount due from SLL & its group entities of Rs.391.68 crores. As per the NCLT order the equity shares held by the Promoter and Promoter group is extinguished and cancelled. Accordingly the investment in SLL, which is valued based FVTOCI at Rs 7.45 crores, held by Tanglin Retail Reality Developments Private Limited (subsidiary) and Giri Vidhyuth (India) Limited (subsidiary) as promoters, is fully written off.
- 17 Change in the percentage of shares held by the Company in its two subsidiaries viz M/s TDL & M/s CDGL as of December 31, 2022 vis-à-vis March 31, 2019 due to invocation of shares pledged to the lenders of the subsidiaries. However, while considering the amount invested in the subsidiaries, Company has considered the erstwhile shareholding pattern prior to dilution as the Management believes that the change in shareholding is temporary in nature and the shares pledged will be released back to the Company. However, these shares have been transferred to such lenders before December 31, 2022. The lenders have not made any adjustments to the loan outstanding as the lenders have not realised any amount on invocation of these shares. Since the shares do not have any marketability it is not possible to attribute any value to the invoked shares.



Ranganatha

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**Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine
Months Ended 31 December 2022**

- 18 Coffee Day Trading Limited (subsidiary) has not remitted income tax demand of Rs.51.28 crores relating to financial year 2018-19 relevant to Asst Year 2019-20. The demand as per 143(1) intimation on 15.06.2020 is Rs.41.55 crores. Coffee Day Trading Limited (subsidiary) has not remitted income tax demand of Rs.56.86 crores relating to financial year 2019-20 relevant to Asst Year 2020-21. The demand as per 143(3) order dated 28.09.2022 is Rs.56.65 crores, against which the company has preferred an appeal before Commissioner of Income Tax (Appeals), Bangalore, in respect of addition made by the assessing officer.
- 19 Coffee Day Global Limited (subsidiary) has initiated a debt resolution process under RBIs 7th June 2019, circular (Prudential Framework for Resolution of Stressed Assets).
- 20 Some of the subsidiaries have not received balance confirmation in respect of certain lenders. Management of the subsidiaries are making an efforts to get the balance confirmations from the lenders.
- 21 A show cause notice has been served on the Company in December 7, 2021 by SEBI in the matter of transfer of funds by Subsidiaries of the Company to Mysore Amalgamated Coffee Estates Limited .SEBI vide its adjudication order dated January 24, 2023, inter-alia,directed the Company to take necessary steps to recover dues from Mysore Amalgamated Coffee Estates Limited and its related entities, along with due interest,that are outstanding to the subsidiaries of the Company. Further, SEBI has directed the Company to appoint an Independent Law firm in consultation with NSE within 60 days of this order, to take effective steps for recovery of dues and imposed a penalty of Rs. 26 Crores under the SEBI Act, 1992. The company is in consultation with legal experts on further course of action.
- 22 On 18 May 2022 Magansoft Consulting India Private Limited(MCIPL)(Stepdown subsidiary) had issued rights shares to the existing shareholders. Due to the rights issue Coffee Day Trading Limited (CDTL) (holding company of MCIPL and subsidiary of the Company) has loss the control on MCIPL. Post right issue MCIPL has become associate to CDTL and Gain of Rs. 3.18 crores recognised on loss of control.
- 23 During the quarter ended 30 Sep 2022, one of the lender has sold the property of the Tanglin Developments Limited(subsidiary) provided as security in connection with credit facility availed by Coffee Day Global Limited(subsidiary) and adjusted the proceeds to the extent of Rs.20.25 crores towards the loan availed by Coffee Day Global Limited(subsidiary). The gain on sale of the property of Rs.18.90 crores is included in other income in the financial results.
- 24 During the quarter ended 30 Sep 2022, one of the lender of Tanglin Developments Limited(subsidiary), has kept an FD of Rs.8 crores in the name of the Tanglin Developments Limited(subsidiary). The same was advance for proposed sale of property of the Tanglin Developments Limited(subsidiary) which is provided as security for the credit facility. The related asset and liabilities are shown as "Asset held for Sale" and "Liability in connection with asset held for sale".
- 25 Coffee Day Global Limited subsidiary M/s.Classic Coffee Curing Works has sold its immovable property during the quarter and accordingly the profit on sale of such asset has been recognised under other income to the tune of Rs 19.50 crores.
- 26 Coffee Day Global Limited (subsidiary) Fixed assets review is done and identified the obsolete or unusable assets pertaining to closed cafes and fully depreciated such assets to the tune of Rs.19.00 Crores.



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Explanatory Notes to the Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2022

- 27 An agreement for purchase of land at Mumbai had been entered into by the Tanglin Developments Limited (subsidiary) with Mrs.Vasanthi Hegde in FY 2017-18. Based on agreement to purchase the land the Tanglin Developments Limited (subsidiary) has advanced Rs.27,500 Lakhs to Mrs.Vasanthi Hegde. The land in the name of Mrs.Vasanthi Hegde has been acquired by City & Industrial Development Corporation (CIDCO) nodal agency for acquiring land for Navi Mumbai International Airport. CIDCO has proposed alternative land in lieu of the acquisition of land. However Mrs.Vasanthi Hegde has filed legal case for monetary compensation instead of alternate land.
- 28 The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 has significantly impacting business operation of the companies, by way of interruption in supply chain disruption, unavailability of personnel, closure/lockdown of Hospitality services, Travel bans etc. On 24th March, 2020, and subsequently in April 2021, the Government of India ordered a nationwide lockdown to prevent and contain first wave and second wave community spread of COVID-19 respectively in India resulting in significant reduction in economic activities.

The Group is witnessing normalcy in the operations in the current financial yearend previous financial year and does not foresee any problem in continuing as a going concern.

for and on behalf of Board of Directors of

Coffee Day Enterprises Limited

S V Ranganath

Interim Chairman

Place: Bangalore

Date: 11 February 2023





VENKATESH & CO

Chartered Accountants

Independent Auditor's Limited review report on the Unaudited Standalone Quarterly Financial results of Coffee Day Enterprises Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of Coffee Day Enterprises Limited

1. We were engaged to review the accompanying statement of unaudited standalone financial results ('the Statement') of Coffee Day Enterprises Limited ('the Company') for the quarter ended December 31, 2022.
2. It is the responsibility of the Company's Management and Board of Directors to prepare this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The statement has been approved by the Company's Board of Directors.
3. Our responsibility is to conduct a review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Because of the matters described in the paragraph 4 below, we were not able to obtain sufficient appropriate evidence to provide a basis for conclusion on the Statement and hence we do not express a conclusion on the Statement.





4. Basis for disclaimer of conclusion

- a. We have not been provided with sufficient evidence with respect to recoverability of dues from group companies amounting to INR 1,671 Crores. Further, we have not been provided appropriate evidence about any recognition of fair value of the estimated loss allowance on corporate guarantee given to its subsidiary (as detailed in Note 7 of the Statement) as required by Ind AS 109, 'Financial Instruments'. We are therefore unable to comment on the recoverability of the stated balance from group companies, fair value of estimated loss allowance on corporate guarantee given to a subsidiary, and the impact on the Statement.
- b. It is observed that there has been a change in the percentage of shares held by the Company in two subsidiaries (as detailed in Note 11 of the Statement) as of December 31, 2022 vis-à-vis March 31, 2019 due to invocation of shares by the lenders of the subsidiaries. However, while considering the amount invested in the subsidiaries, the Management of the Company has considered the erstwhile shareholding pattern prior to dilution as the Management believes that the change in shareholding is temporary in nature and the shares pledged will be redeemed back by the Company.

However, these shares have been transferred to such lenders before December 31, 2022. We have been informed that the lenders have not sold any of the shares invoked and consequently have not made any adjustments to the loan outstanding. Accordingly, the management believes that it is not possible to attribute any sale value to the invoked shares. Consequently, the impact of the said transfer on the book value of the invoked shares of Rs. 156 Crores on the standalone financial statements cannot be ascertained.

- c. The Management of the Company has determined that no impairment is required to be recognized on its investments in subsidiaries, associates and joint ventures with a carrying value of INR 1,865 Crore as at December 31, 2022, as required by Ind AS 36, 'Impairment of Assets', particularly consequent to developments during this period. As detailed in Note 5 of the Statement, the company makes an assessment of impairment only at the end of the financial year. We are therefore unable to comment on the impairment if any on investments in subsidiaries, associates and joint ventures and the effect, if any, on this Statement.





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- d. Attention is drawn to Note 6 , 8 and 13 of the Statement, wherein instances of non-compliance with certain debt covenants including interest & principal repayment defaults have been described. We also draw attention to the fact that the company has not obtained the balance confirmations on loans from lenders. In the absence of adequate and sufficient audit evidence to establish the amounts payable to the lenders, we are unable to provide our opinion on the correctness of these amounts reflected in the standalone financial statement and also on their consequential impact including potential tax liabilities.

We have been informed that during the year certain lenders have exercised their right to recall the loan and some lenders have initiated legal action to recover dues. However, in the absence of the adequate evidence, we are unable to comment on the consequential adjustments that might impact this Statement on account of non-compliance with debt covenants. Further, in view of the loan recall notices, legal disputes and pending one-time settlement with the lenders of the Company, the Management has not recognised interest on the loans outstanding as of December 31, 2022 aggregated to INR 45.30 Crores. As the loan recall letters provided by the lenders requires payment of interest and penal interest, non-provision of such interest is not in line with the accrual concept of accounting.

- e. Attention is drawn to Note 14 of this statement wherein a final adjudication order dated 24.01.2023 has been served on the company under section 11 (11(4), 11(4A), 11B and 11B (of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 by SEBI imposed with a total monetary penalty of Rs.26,00,00,000 (Rupees Twenty-Six Crore) under Section 15HA and Section 15HB of the SEBI Act, 1992 respectively on account of violations of provisions of Section 12A(a), (b) & (c) of the SEBI Act, 1992 read with Regulations 3(b), (c) & (d) and 4(1) of the PFUTP Regulations as stated in Para 59 and 60 of its order relating to the advances to MACEL by the subsidiaries of the Company and in respect of which no provision for the liability has been considered in the accounts.

The order further directed the company to appoint a law firm, of standing and repute, within 60 days of the order to take all necessary steps for recovery of entire dues from MACEL and its related entities, along with due interest, that are outstanding to the subsidiaries. SEBI further directed the company to file a quarterly report with NSE / CDEL Board, detailing the progress in the recovery process.





The tenure of the law firm appointed in terms of sub-para (b) above shall be until the lapse of three months from the date of conclusion of three annual general meetings of CDEL, held after passing of this order or till the dues are recovered, whichever is earlier.

The company is in consultation with legal experts on further course of action and hence is of the opinion that no provision is required to be made in the accounts for the penalty. Under these circumstances, we are unable to comment on the consequential impact of this order on these financial results.

- f. This Statement has been prepared by the Management and Board of Directors using the going concern assumption (Refer Note 9 of the Statement). The matters detailed in the above paragraphs may have a consequential implication on the Company's ability to continue as a going concern. We are therefore unable to comment on whether the going concern basis for preparation of the Statement is appropriate.

5. Disclaimer of conclusion

Because of the substantive nature of the matters stated in paragraph 4, '**Basis for disclaimer of conclusion**', above for which we have not been able to obtain sufficient evidence, we are unable to state whether the accompanying Statement has been prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies or that the Statement discloses the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement. Thus, we do not express a conclusion on the accompanying financial results.

6. Emphasis of Matter

- a. In a letter dated July 27, 2019 signed by late Mr. V. G. Siddhartha, the Promoter and then Chairman and Managing Director of the Company, which has come to light, it was inter-alia stated that the Management and auditors were unaware of all his transactions. The Board of Directors had initiated an investigation into the circumstances leading to the statements made in the letter and to scrutinize the books of accounts of the Company and its subsidiaries.





The investigation report submitted to the Board of Directors on July 24, 2020 has concluded that Mysore Amalgamated Coffee Estates Limited ('MACEL') a related entity owes a sum of INR 3,535 Crore to the subsidiaries of CDEL as on July 31, 2019 of which a sum of INR 842 Crore was due to the subsidiaries as of March 31, 2019 leaving a balance of INR 2,693 Crore as incremental outstanding which needs to be addressed. Further, the Board of the Company in the board meeting on August 21, 2020, appointed Retired Hon'ble Justice Sri K L Manjunath, former Judge of Hon'ble High Court of Karnataka to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters. The future course of action will be decided by the Management based on the decision taken by the Hon'ble Justice Sri K L Manjunath.

Due to the demise of Sri K. L. Manjunath, the Board, in their meeting held on February 7, 2022 appointed Hon'ble Mr. Justice H N Nagamohandas, a retired Judge of High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters. Hon'ble Mr. Justice H N Nagamohandas has recommended filing a commercial suit against MACEL for recovery of amounts by 6 subsidiaries and one Joint venture of the company in the board meeting dated 25.07.2022 and the same was conveyed to respective board of the 6 subsidiaries and one joint venture.

However, in the recent adjudication order dated 24.01.2023 of SEBI the company has been directed to appoint a law firm to take all necessary steps for recovery of entire dues from MACEL and its related entities, along with due interest, that are outstanding to the subsidiaries.

- b. We draw attention to the Note 12 of the Statement, wherein the Company has stated that Corporate Insolvency Resolution Process has been initiated in NCLT against one of its key step-subsiary, M/s. SICAL Logistics Limited (SLL), pursuant to which a final resolution plan has been received vide order dated 09.12.2022. As per the said order read with the approved Resolution Plan, "Nil" payment is payable against the amounts due to related parties of SICAL. Under the above circumstances the group has written off the amount due from SICAL of Rs.0.14 crores.



We draw attention to Note 15 of the Statement, detailing facts relating to the sale of Way2Wealth Securities Private Limited and its certain subsidiaries. Based on the sale





VENKATESH & CO
Chartered Accountants

agreement, Rs. 4.63 Crore is receivable by the company in form of preceding year's tax refunds and SEBI deposits from the purchaser (Shriram Ownership Trust) in form of reimbursement, subject to realisation. Further a sum of Rs. 0.77 Crore has been withheld by the purchaser per the agreement. Exceptional Loss of Rs. 46.50 Crore has been recognised on the said sale transaction during the financial year 2020-21.

- d. The Company has filed an application seeking a one-time exemption from registering itself as a Non-Banking Financial Company (NBFC) as required by Section 45-IA of the Reserve Bank of India Act, 1934 and other related provisions (refer Note 10 of the statement). As at the date of this Statement a response from the Reserve Bank of India is awaited. In the absence of such exemption, we are unable to comment on the compliance with the aforesaid regulations and consequential impact, if any on this Statement.

Our conclusion is not modified in respect of the above matters.

g. Other matters

We further draw your attention to the Note 16 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the company's financial results. The same will depend on future developments, which are highly uncertain.

For **Venkatesh & Co.,**

Chartered Accountants

Firm registration number: 004636S



CA Desikan G

Partner

Membership Number: 219101

UDIN: 23219101BGUWNQ8026

Chennai, February 11, 2023



(Rs in millions except per share data)

Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2022

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	a) Revenue from operations	48.53	41.29	47.51	139.77	96.62	137.10
	b) Other income	-	-	-	-	0.06	0.06
	Total income (a+b)	48.53	41.29	47.51	139.77	96.68	137.16
2	Expenses						
	a) Purchase of stock-in-trade	-	-	-	-	-	-
	b) Employee benefits expense	17.28	16.02	16.90	49.68	45.84	65.43
	c) Finance costs	2.56	2.64	(349.21)	7.27	8.03	10.07
	d) Depreciation and amortization expense	1.44	1.44	1.48	4.30	4.43	5.87
	e) Other expenses	20.14	24.13	16.89	96.76	61.63	90.72
	Total expenses (a+b+c+d+e)	41.42	44.23	(313.94)	158.01	119.93	172.09
3	Profit/(loss) before exceptional items and tax (1 - 2)	7.11	(2.94)	361.45	(18.24)	(23.25)	(34.93)
4	Tax expense	-	-	-	-	-	-
5	Profit/(loss) for the period (3-4)	7.11	(2.94)	361.45	(18.24)	(23.25)	(34.93)
	Other comprehensive income						
	Items that will not be reclassified to profit or loss, net of tax	-	-	-	-	-	0.06
6	Other comprehensive income for the period, net of tax	-	-	-	-	-	0.06
7	Total comprehensive income for the period (5+6)	7.11	(2.94)	361.45	(18.24)	(23.25)	(34.87)
8	Paid-up equity share capital (face value of Rs.10 each)	2,112.52	2,112.52	2,112.52	2,112.52	2,112.52	2,112.52
9	Reserves excluding revaluation reserve	-	-	-	-	-	28,560.93
10	Earnings per equity share for continuing operations (not annualized)						
	(a) Basic (Rs)	0.03	(0.01)	1.71	(0.09)	(0.11)	(0.17)
	(b) Diluted (Rs)	0.03	(0.01)	1.71	(0.09)	(0.11)	(0.17)

See accompanying notes to the financial results



Ranganath

**Explanatory Notes to the Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended
31 December 2022**

- 1 The Statement of unaudited standalone financial results ('the Statement') of Coffee Day Enterprises Limited ('the Company') for the quarter and nine months ended 31 December 2022 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 11 February 2023. The Statutory Auditors have issued disclaimer of conclusion in the limited review report in respect of the Statement being filed with Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and is also available on the Company's website www.coffeeday.com. Pursuant to the provisions of Listing Agreement, the Management has decided to publish unaudited financial results in the newspapers.
- 2 This Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (referred to as 'Ind AS') 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').
- 3 The figures for the year ended 31 March 2022 are audited and other period figures are only been reviewed and not subjected to audit.
- 4 In accordance with Ind AS 108, "Operating segments", segment information has been provided in the consolidated financial results of the Company and therefore no separate disclosure on segment information is presented in the standalone financial results.
- 5 The Company has investments in subsidiaries, associates and joint venture amounting to Rs. 18,651 million as at 31 December 2022. The impairment assessment was last carried out on 31 March 2019.
- 6 On 5 January 2023, the Company made a Disclosure in terms of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 for the quarter ended 31 December 2022 regarding the disclosures of defaults on payments of Interest/Repayment of principal amount on loans from Banks/ Financial institutions and unlisted debt securities.
- 7 The Company has given interest free advances Rs.16,706 million to its subsidiaries which is repayable on demand. The Company has given a corporate guarantee of Rs. 1,000 million for a loan taken by a wholly owned subsidiary. As at the date of this Statement, such corporate guarantee has not been invoked by the lender. The Company is confident that the loan will be repaid by the subsidiary in the due course and hence, the loss allowance as per Ind AS 109 Financial Instruments has been estimated by the Management to be Rs. Nil.
- 8 The Company has borrowings outstanding amounting to Rs. 4,907 million as at 31 December 2022. There have been certain covenant breaches with respect to borrowings taken by the Company from various lenders. Such covenant breaches entitle the lenders to recall the loan. Some of the lenders have exercised their right to recall the loan and one of the lenders has initiated legal process to recover the dues.

Due to default in repayment of interest and principal to the lenders, the lenders have sent "loan recall" notices to the Company as well as initiated legal disputes. In view of the loan recall notices, legal disputes and pending onetime settlement with the lenders, the company has not recognised interest of Rs.151 millions and Rs.453 millions for the quarter and nine months ended 31 December 2022 (Rs 519 millions for the period 1 April 2021 to 31 Decemebr 2021).



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**Explanatory Notes to the Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended
31 December 2022**

- 9 These standalone financial results for the quarter and nine months ended 31 December 2022 have been prepared on a going concern basis in view of the positive net worth of the Company amounting to Rs.30,655 million as of 31 December 2022, significant value in diversified portfolio of investments held in subsidiaries / joint ventures / associates, established track record of the Company to monetize the group assets as demonstrated by sale of stake in Mindtree Limited, sale of Global Village Tech Park owned by its wholly-owned subsidiary Tanglin Developments Limited , sale of stake in Way2Wealth Group entities profitable resorts operations and consequential ability to service the obligations.
- 10 The Company currently derives its revenue from running or operating resorts and/ or managing hotels. During the year ended 31 March 2020, the Company derived an exceptional gain of Rs. 15,037.96 million, net of transaction costs from sale of its investment in Mindtree Limited. Thus, the financial income of the Company earned during the year ended 31 March 2020 constitutes more than 50% of its total income and financial assets constitutes more than 50% of its total assets as at 31 March 2020, thereby requiring the Company to register itself as a Non-Banking Financial Company ('NBFC') with the Reserve Bank of India (RBI) as per the requirements of Section 45- IA of Reserve Bank of India Act, 1934. On 13 March 2020, the Company has made an application to the Deputy General Manager of the Department of Non-Banking Supervision requesting for a one-time exemption from obtaining registration as NBFC under the provisions of RBI. As of the date of this Statement, the Company is awaiting response from RBI.
- 11 Change in the percentage of shares held by the Company in its two subsidiaries viz M/s TDL & M/s CDGL as of December 31, 2022 vis-à-vis March 31, 2019 due to invocation of shares pledged to the lenders of the subsidiaries. However, while considering the amount invested in the subsidiaries, Company has considered the erstwhile shareholding pattern prior to dilution as the Management believes that the change in shareholding is temporary in nature and the shares pledged will be released back to the Company. However, these shares have been transferred to such lenders before December 31, 2022. The lenders have not made any adjustments to the loan outstanding as the lenders have not realised any amount on invocation of these shares. Since the shares do not have any marketability it is not possible to attribute any value to the invoked shares.
- 12 In the 4th quarter of FY 20-21 (10.03.2021) the NCLT has initiated Corporate Insolvency Resolution Process of Sical Logistics Limited(SLL). Resolution plan submitted by the Resolution Applicant - Pristine Malwa Logistics Park Private Limited has been approved by the Hon'ble NCLT Chennai Bench, vide its order dated 8th December 2022. As per the said order read with the approved Resolution Plan, "Nil" payment is payable against the amounts due to related parties of SICAL.Under the above circumstances the group has written off the amount due from SICAL of Rs.1.45 million.
- 13 The Company has not received balance confirmation in respect of certain lenders. This will be taken care off during one time settlement process.
- 14 A show cause notice has been served on the Company in December 7, 2021 by SEBI in the matter of transfer of funds by Subsidiaries of the Company to Mysore Amalgamated Coffee Estates Limited .SEBI vide its adjudication order dated January 24, 2023, inter-alia,directed the Company to take necessary steps to recover dues from Mysore Amalgamated Coffee Estates Limited and its related entities, along with due interest, that are outstanding to the subsidiaries of the Company. Further, SEBI has directed the Company to appoint an Independent Law firm in consultation with NSE within 60 days of this order, to take effective steps for recovery of dues and imposed a penalty of Rs. 26 Crores under the SEBI Act, 1992. The company is in consultation with legal experts on further course of action.



Ranganathan

**Explanatory Notes to the Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended
31 December 2022**

- 15 On 19.11.2020, the company and its subsidiary Tanglin Developments Limited has entered into an Agreement to Sell the Shares of Way2Wealth Securities Private Limited including certain Way2Wealth Securities Private Limited subsidiaries to Shriram Ownership Trust. The transaction was set at a Purchase Consideration is Rs.556.59 millions of which the company's share is Rs.212.98 millions, which has been fully received by the Company in the financial year 2020-21 except for the withheld consideration of Rs.7.65 millions. Another Rs.46.29 Millions is receivable by the Company in form of preceding years Tax refunds and SEBI deposits from the purchaser (Shriram Ownership Trust) which is in form of reimbursement, subject to realisation by the purchaser (Shriram Ownership Trust).
- 16 The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID19 has significantly impacting business operation of the companies, by way of interruption in supply chain disruption, unavailability of personnel, closure/lockdown of Hospitality services, Travel bans etc. On 24th March, 2020, and subsequently in April 2021, the Government of India ordered a nationwide lockdown to prevent and contain first wave and second wave community spread of COVID-19 respectively in India resulting in significant reduction in economic activities.

The company is witnessing normalcy in the operations in the current financial year and in the previous year and does not foresee any problem in continuing as a going concern.

for and on behalf of Board of Directors of
Coffee Day Enterprises Limited

Ranganath

S V Ranganath

Interim Chairman

Place: Bangalore

Date: 11 February 2023





Limited review report on Quarterly and Nine Months Consolidated Interim Financial results of Coffee Day Global Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Coffee Day Global Limited

Introduction

We were engaged to review the accompanying statement of unaudited consolidated interim financial results ("Statement") of Coffee Day Global Limited ("the Company") and its subsidiary companies and joint ventures as detailed below, (collectively referred to as "Group") for the quarter and nine months ended 31 December 2022, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 ("SEBI Regulations") read along with note 2 to the statement wherein it is stated that management has voluntarily adopted the preparation of this statement for its submission to Bombay Stock Exchange and National Stock Exchange.

This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on February 11, 2023. Our responsibility is to issue a report on the statement based on our review.

The statement includes the result of following entities: Coffee Day Global Limited, Subsidiaries Coffeelab Limited, Classic Coffee Curing Works, A.N Coffee Day International Limited, Coffee Day C.Z., Coffee Day Gastronomie und Kaffeehandels GmbH, Joint Ventures Coffee Day Schaerer Technologies Private Limited, Coffee Day Consultancy Services Private Limited (including it's Subsidiary Coffee Day Econ Private Limited).

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether interim financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than audit. We have not performed audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





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We did not review the unaudited interim financial results of subsidiaries and joint ventures which have been incorporated in the Statement. The financial results of these subsidiaries and one joint venture have not been subjected to review either by us or other auditors, and therefore, the un-reviewed financial results for the quarter and nine months have been furnished to us by the Management. These subsidiaries account for 7.89% and 3.13% of the total income from operations, including other income for the quarter and nine months ended 31 December 2022, respectively, as shown in the Statement. The said joint venture account for share of loss of NIL for the quarter and nine months ended on 31 December 2022, considered in the Statement. Further in respect of one joint venture including its subsidiary, the investment is fully provided for. Our opinion on the Consolidated Financial Results is not modified in respect of the above matter with respect to our reliance on management certified financial results.

Basis for Disclaimer of Conclusion

We draw attention to Note No.5 of the Consolidated Interim Financial Results which describe the details in respect of amounts due from M/s.Mysore Amalgamated Coffee Estates Limited (MACEL) to the extent of Rs.1,032.43 Crores. As explained to us the company is in the process of recovery of the dues from related party and taken necessary action as stated in the said notes and there has been no progress in the commercial suit filed. Company had filed application for Pre-Institution Mediation on 05.08.2022 before District Legal Services Authority (DLSA), Bengaluru Urban. The DLSA has closed the said application and issued Form 3 - Non Starter Report.

Further SEBI as per its order dated 24.01.2023, on holding company M/s.Coffee Day Enterprises Limited (CDEL), U/s.11(1), 11(4), 11(4A), 11B and 11B(2) of the SEBI Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, has found that transfer of funds from the subsidiaries of CDEL (including the Company) to MACEL was nothing but fraudulent diversion of funds of CDEL's subsidiaries for the personal benefit of promoters and their entities. Further SEBI in Para 59 of its order has stated that MACEL networth is a negative figure. Further the SEBI has given a finding, on going through the MACEL financial statement that, it unambiguously shows that MACEL was merely acting as a pass-through entity between one set of related parties to other set of related parties.

Finally, the said SEBI order, in para 71 levied penalty on CDEL. Further in para 73 directed the CDEL to appoint an independent law firm in consultation with NSE to take effective steps for recovery of the outstanding amounts due from MACEL and file a quarterly report to NSE and CDEL Board on the progress, till the lapse of 3 months from the conclusion of 3 AGMs of CDEL held after passing of the said order or till the dues are recovered whichever is earlier. We have been informed that the Holding Company is in consultation with legal expert on further course of action.

Under these circumstances, we are unable to comment on the extent of recoverability of the amount and requirement or otherwise of provision on the said receivable and consequential impact on these financial results.

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Disclaimer of Conclusion

Because of the significance of the matter described in 'Basis for Disclaimer of Conclusion' paragraph above, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the accompanying statement for the quarter and nine months ended 31 December 2022,

- a) are prepared in accordance with applicable accounting standards i.e. IND AS prescribed under Section 133 of Companies act 2013 read with relevant rules issued there under and other recognized accounting practices and policies, and
- b) has disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing obligations and Disclosure requirements) Regulations, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

Emphasis of matter

- a) We draw attention to the Note No.8 of the Consolidated Interim Financial Results, wherein the details of cases filed against the company before National Company Law Tribunal is provided along with present status of the same. We further draw attention to the fact that the company has not recognised interest expenses to the extent of Rs.23.70 Crore and Rs.69.29 Crores, for quarter and nine months ended 31st December 2022 respectively, in respect of credit facilities for the reason stated therein.
- b) We draw attention to the Note No.10 of the Consolidated Interim Financial Results, wherein the facts is stated that the amount receivable from M/s.SICAL Logistics Limited, of Rs.46.96 Crores, is written off, as the same is not recoverable as per the NCLT order read with approved resolution plan in SICAL case.
- c) We draw attention to the Note No.11 of the Consolidated Interim Financial Results, wherein the fact is stated that, one of the subsidiary has sold its properties and profit on sale of asset to the tune of Rs.19.50 Crores has been recognised in the profit and loss statement.
- d) We draw attention to the Note No.12 of the Consolidated Interim Financial Results, wherein the fact is stated to the effect of write off of old fixed assets to the tune of Rs.19 Crores.

Our conclusion is not modified in respect of these matters.

Place: Bengaluru
Date : February 11, 2023

For ASRMP & CO,
Chartered Accountants
Firm's Registration No.0183508


(A S SUNDARESHA)
Membership No.019728
Partner

UDIN: 23019728BGZGFF8330



Part I: Statement of consolidated financial results for the quarter and nine months ended 31st December 2022

Rs in crores (except per share data)

Particulars	Quarter ended						Nine months ended		Year ended
	31st December 2022	30th Sept 2022	31st December 2021	31st December 2022	31st December 2021	31st March 2022			
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited			
1 Income									
a) Revenue from operations	231.08	218.59	157.86	639.30	347.55	496.26			
b) Other income	20.51	1.93	4.56	24.99	18.53	70.59			
Total income (a+b)	251.59	220.52	162.42	664.29	366.08	566.85			
2 Expenses									
a) Cost of materials consumed	95.95	94.27	56.80	267.60	119.46	175.98			
b) Changes in inventories of finished goods and work-in-progress	3.51	(3.96)	0.38	(0.41)	0.35	(0.10)			
c) Employee benefits expenses	28.95	30.39	27.18	89.36	80.25	111.14			
d) Finance costs	23.61	10.60	22.59	47.32	83.16	33.93			
e) Depreciation and amortization expense	47.52	31.14	33.28	110.24	110.76	142.51			
f) Other expenses	113.38	69.93	45.20	235.07	148.79	214.67			
Total expenses (a+b+c+d+e+f)	312.91	232.37	185.43	749.18	542.78	678.13			
3 Profit before share of profit from joint ventures accounted using equity method, exceptional items and tax (1-2)	(61.32)	(11.84)	(23.01)	(84.89)	(176.70)	(111.29)			
4 Share of profit/(loss) from joint venture accounted using equity method		-	-		(2.16)	(2.16)			
5 Profit before tax	(61.32)	(11.84)	(23.01)	(84.89)	(178.85)	(113.44)			
6 Tax expense	3.63	-	-	3.63	-	-			
7 Profit for the period from continuing operations (5-6)	(64.96)	(11.84)	(23.01)	(88.52)	(178.85)	(113.44)			
8 Profit / (Loss) from discontinued operations	-	-	-	-	-	-			
9 Profit for the period (7+8)	(64.96)	(11.84)	(23.01)	(88.52)	(178.85)	(113.44)			
Attributable to the owners of the Company	(64.96)	(11.84)	(23.01)	(88.52)	(178.85)	(113.44)			
Other comprehensive income									
Items that will not be reclassified to profit or loss, net of tax	-	-	-	-	-	0.97			
Items that will be reclassified to profit or loss, net of tax	-	-	-	-	-	-			
10 Other comprehensive income for the period, net of tax	-	-	-	-	-	0.97			
Attributable to: Owners of the Company	-	-	-	-	-	0.97			
11 Total comprehensive income for the period (9+10)	(64.96)	(11.84)	(23.01)	(88.52)	(178.85)	(112.48)			
Attributable to: Owners of the Company	(64.96)	(11.84)	(23.01)	(88.52)	(178.85)	(112.48)			
12 Paid-up equity share capital (face value of Re. 1 each)	19.15	19.15	19.15	19.15	19.15	19.15			
13 Reserves excluding revaluation reserves		503.10	-		-	526.67			
14 Earnings per equity share for continuing operations (not annualised)									
Basic (Rs)	(3.39)	(0.62)	(1.20)	(4.62)	(9.34)	(5.92)			
Diluted (Rs)	(3.39)	(0.62)	(1.20)	(4.62)	(9.34)	(5.92)			

* Refer Note no. 4

See accompanying notes to the financial results



M/s.COFFEE DAY GLOBAL LIMITED

Notes:

- 1 The above results of Coffee Day Global Limited ("the Company"), its subsidiaries and joint ventures (collectively known as "the Group") are prepared in accordance with requirement of the Indian Accounting Standard 110 "Consolidated Financial Statement" prescribed by Companies (Indian Accounting Standard) Rules, 2015 and in the format prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015").

The consolidated figures above include figures of subsidiaries namely Coffee Lab Limited, Classic Coffee Curing Works, A.N Coffee day International Limited, Coffee Day C.Z., Coffee Day Gastronomie und Kaffeehandels GmbH Kaffee, and joint ventures - Coffee Day Schaerer Technologies Private Limited and Coffee Day Consultancy Services Private Limited (including its subsidiary Coffee Day Econ Private Limited)

- 2 As the Company is an unlisted entity, it is not mandatorily required to prepare the financial results in accordance with the Listing Regulations, 2015. However, the Company has voluntarily prepared the financial results using the format prescribed by the Listing Regulation, 2015 pursuant to listing of shares of Coffee Day Enterprises Limited, its holding company, for submission to Bombay Stock Exchange and National Stock Exchange.
- 3 The Statement of unaudited consolidated financial results ('the Statement') of the Group for the quarter ended dated 31st December 2022 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 11th February 2023.
- 4 The figures for the year ended 31 March 2022 are audited and other period figures are only been reviewed and not subjected to audit. The Audit / Review reports 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.
- 5 In FY 2019-20, group Chairman and Managing Director of Holding Company viz M/s.Coffeeday Enterprises Limited (CDEL) demised. The board of CDEL appointed Mr.Ashok Kumar Malhotra and team to investigate the circumstances leading to the statements made in the letter of former group Chairman late V.G.Siddhartha. Investigation report was submitted to the Board of CDEL by the investigators on 24.07.2020. Later Board of CDEL appointed retired Hon'ble Justice Sri K.L.Manjunath, to suggest and oversee action for recovery of dues from from M/s.Mysore Amalgamated Coffee Estates Ltd (MACEL). Owing to untimely demise of Retired Hon'ble Justice K L Manjunath, CDEL had appointed Hon'ble Justice H N Nagamohandas, former Judge of Hon'ble High Court of Karnataka, on 07.02.2022, to suggest and oversee the actions for recovery of dues from MACEL. Hon'ble Justice H N Nagamohandas has submitted report to CDEL on July 25th 2022. As per the recommendations of the report from Justice H N Nagamohandas, the Company has filed a commercial suit against MACEL for the recovery of its balance outstanding amount of Rs.1,032.43 crores (March 31, 2022: Rs 1038.85 crores).
As part of the process of commercial suit, company had filed application for Pre-Institution Mediation on 05.08.2022 before District Legal Services Authority (DLSA), Bengaluru Urban. The DLSA has closed the said application and issued Form 3 - Non Starter Report. Accordingly the subsequent process under the commercial suit is being initiated.



M/s.COFFEE DAY GLOBAL LIMITED

The Security and Exchange Board of India (SEBI) passed an order on the Holding Company CDEL levying a penalty and directing the Holding Company to appoint an independent law firm in consultation with NSE to take effective steps for recovery of the outstanding amounts due from MACEL and file a quarterly report to NSE and CDEL Board on the progress, till the lapse of 3 months from the conclusion of 3 AGMs of CDEL held after passing of the said order or till the dues are recovered whichever is earlier. We are given to understand that the Holding Company is in consultation with legal expert on the further course of action.

The final order of SEBI dated 24th January 2023 on completion of adjudication pertains to the Holding Company CDEL, the same is dealt with by the Audit Committee, Board of Directors, and the Auditors of CDEL. Under the above circumstances pending the recovery process and provision of around 3 years' time for recovery by SEBI, no provision is made in the books of accounts against the amount receivable from MACEL.

- 6 The Company has initiated a debt resolution process under RBIs 7th June 2019, circular (Prudential Framework for Resolution of Stressed Assets).
- 7 The foreign operating subsidiaries went into liquidation. As there is no transaction in those subsidiaries the discontinued operations for the period is nil.
- 8 The National Company Law Tribunal (NCLT) had dismissed the application by one of the lenders as a financial creditor for recovery of its dues in the previous quarter. The NCLT has also dismissed an application against the Company from one of its creditors for recovery of its dues. Both the lender and the creditor filed an application in NCLAT, appealing against the order and NCLAT has dismissed the appeal filed by the creditor. Another lender, who is a financial creditor of the Company, has filed an application with NCLT for recovery of its dues, during the quarter under review.
The Company management has as per its debt restructuring plan initiated, decided not to provide interest on its borrowings outstanding for the Quarter and nine months ended December 2022, of Rs. 23.70 crores and Rs. 69.29 Crores respectively. (Financial year 2021-22 - Rs. 97.07 crores) in line with its request to lenders. During the quarter, Yes Bank Limited, has absolutely assigned and transferred all the rights, title and interests in the financial assets pertaining to M/s.Coffee Day Global Limited, together with the security created thereof in favour of J.C.Flowers Asset Reconstruction Private Limited, vide assignment agreement executed in favour of J.C.Flower. The loan outstanding as per books of accounts as on 31.12.2022 is Rs.118.69 Crores.
- 9 Presently the company is operating into only one segment being retail operations and accordingly there are no segment reporting applicable.
- 10 The company has an outstanding amount of Rs.46.96 Crores due from M/s. SICAL Logistics Limited (SICAL). The National Company Law Tribunal has initiated Corporate Insolvency Resolution Process against SICAL. On 18.03.2022 Committee of Creditors approved the resolution plan submitted by Pristine Malwa Logistics Park Private Limited to buy SICAL Logistics Limited. The said resolution plan is approved by the Hon'ble NCLT Chennai Bench, vide its order dated 8th December 2022. As per the said order read with the approved Resolution Plan, "Nil" payment is provided as payable by SICAL against the amounts due to related parties of SICAL. Under the above circumstances the company has fully written off the amount due from SICAL of Rs. 46.96 crores.
- 11 One of the subsidiary M/s.Classic Coffee Curing Works has sold its immovable property during the quarter and accordingly the profit on sale of such asset has been recognised under other income to the tune of Rs 19.50 crores.



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- 12 Fixed assets review is done and identified the obsolete or unusable assets pertaining to closed cafes and fully depreciated such assets to the tune of Rs.19.00 Crores.

For and on behalf of Board of Directors of
Coffee Day Global Limited

Ranganath

S V Ranganath
Interim Chairman



Place: Bangalore

Date: 11th February 2023