

Coffee Day Enterprises Limited
CIN No: L55101KA2008PLC046866
23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560001
Email ID: investors@coffeeday.com

To,

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

BSE Limited
General manager-DSC
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai - 400 001
Tel No. 022-2272 2039/37/3121
corp.relations@bseindia.com

Dear Sir/Madam,

21st August, 2020

Regulation 33(3) & 30 of SEBI (LODR) Regulations, 2015: Outcome of Board Meeting for Consideration of Un-Audited Financial Results of the Company for the Quarter ended 31st December, 2019

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 ended 31st December, 2019, the meeting commenced at 05.30 PM and ended at 07.15 PM

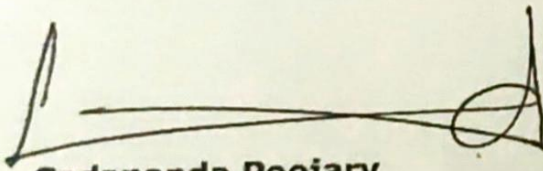
Enclosures:

- A copy of the "Financial Highlights" of Coffee Day Enterprises Limited is attached herewith.
- A copy of the statement of Standalone & Consolidated Un-Audited financial results of the Company along with the Limited Review report is attached herewith.

Kindly take the same on record.

Thanking you,
Yours Truly,

For Coffee Day Enterprises Limited



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



Coffee Day Enterprises Limited
Financial Highlights

Figures in Rs. Crores (Crs)

| <u>Q3FY20</u> | <u>YTD Q3FY20</u> |
|---|--|
| Revenue at Rs. 568 Crs; down 35% YoY | Revenue at Rs. 2,102 Crs; down 18% YoY |
| EBITDA at Rs. 25 Crs; down 90% YoY* | EBITDA at Rs. 2,074 Crs; up 261% YoY* |
| Net loss after tax at Rs. 141 Crs; down 320% YoY* | Net profit after tax at Rs. 1,300 Crs; up 1175% YoY* |

Details of Financial performance

Rs.in Crores (Crs)

| Particulars | Q3FY20 | Q2FY20 | Q3FY19 | YoY Growth % | YTD FY20 | YTD FY19 | YoY Growth % |
|------------------------------------|--------|--------|--------|-----------------|----------|----------|-----------------|
| Revenue | 568 | 694 | 875 | -35% | 2,102 | 2,578 | -18% |
| EBIDTA* | 25 | (1) | 245 | -90% | 2,074 | 575 | 261% |
| Net Profit attributable to owners* | (141) | (177) | 64 | -320% | 1,300 | 102 | 1175% |

* EBITDA for the YTD FY20 includes exceptional gain amounting to Rs. 1,975 Crores & PAT for the YTD FY20 includes exceptional gain amounting to Rs. 1,828 Crores primarily on account of sale of equity stake held in Mindtree Limited.

* EBITDA and PAT for the period Q3FY19 & YTD FY19 includes exceptional gain amounting to Rs. 73 Crores and Rs. 50 Crores respectively, on account of fair valuation / sale of our equity stake in Global Edge Software Limited.



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 profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended December 31, 2019 ('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.





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

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.

Because of the matters described in the paragraph 5 below, we were not able to obtain sufficient evidence to provide a basis for conclusion on the Statement and hence we do not express a conclusion on the Statement.

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

5. Basis for disclaimer of conclusion

- a. Auditor of 1 subsidiary which in turn has 14 subsidiaries and 2 joint ventures (together constituting 25% of revenue), based on its review, has expressed an unmodified conclusion on the underlying unaudited consolidated financial results. The review report is dated February 14, 2020 and is therefore of a date much earlier than the date of this report.

Auditors of 3 subsidiaries which in turn has 9 subsidiaries, 2 joint ventures and 1 step-down subsidiary (constituting 63% of revenue), based on their review, have issued a disclaimer of conclusion on the underlying unaudited financial results due to the possible impact of the recoverability of dues from Mysore Amalgamated Coffee Estates Limited ('MACEL'), a related party.

Further, the auditor in respect of 2 subsidiaries, one of which in turn has 12 step-down subsidiaries has expressed a qualified opinion due to the possible impact of the recoverability of dues from MACEL.

Further, the auditor in respect of 1 subsidiary which in turn has 5 step-down subsidiaries, 2 joint ventures and 1 step-down subsidiary, while giving disclaimer of opinion has drawn attention in the emphasis of matter paragraph to the treatment of





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

impairment in respect of leasehold improvements, capital work in progress and capital advances would be provided for on a regular basis depending on the profitability, future increase in major expenses and on the cafes becoming inoperative permanently.

The review reports of the Parent Company reviewed by us (constituting 0.64% of revenue) express disclaimer of conclusion on the underlying unaudited financial results due to inter alia: possible impact of the recoverability of dues from MACEL of INR 3,535 Crore to the subsidiaries of CDEL listing as of July 31, 2019, compliance and recoverability of related party transactions and balances and impact of subsequent events to the date of this report.

Based on the above, we have not been able to obtain adequate evidence which could support a conclusion other than a disclaimer for the Group as a whole.

- 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, it was inter-alia stated that the Management and auditors were unaware of all his transactions. Attention is drawn to note 11 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 incremental outstanding which needs to be addressed.





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

We are unable to comment on the appropriateness of the transactions, including regulatory non-compliances, if any, and the recoverability of the amounts due in the absence of requisite evidence not being made available to us and its impact to the Statement.

- c. In respect of some of the subsidiaries, adequate evidence with respect to compliance with debt covenants or details of defaults in repayment of borrowings and consequent actions, if any taken by bankers/ lenders as provided in the relevant loan agreements (refer note 21 of the Statement) have not been provided to us.

We are therefore unable to comment on the consequential adjustments that might impact this statement on account of non-compliance with debt covenants.

- d. We have not been provided appropriate evidence about the recognition of fair value of the estimated loss allowance on corporate guarantee given to its subsidiary (as detailed in note 19 of the Statement) as required by Ind AS 109, 'Financial Instruments'.
- e. Impairment for Goodwill arising on consolidation has not been considered in this statement. (refer note 13 of the Statement). The above impairment is required by Ind AS 36, 'Impairment of Assets', in view of the developments during the period including the investigation report submitted to the company.

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. In the case of 1 subsidiary, which in turn has 14 step-down subsidiaries and 2 joint ventures, and 1 other step-subsiary which in turn has 2 foreign subsidiaries and in 1 associate company reviewed by other auditors, the relevant review report on unaudited financial results is dated much earlier than the date of this report. In the



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Coffee Day Enterprises Limited
Consolidated limited review report (continued)

case of this group as well as for other subsidiaries sufficient appropriate evidence regarding subsequent events as required by Ind AS 10, 'Events after the Reporting Period' has not been provided, and therefore relevant procedures could not be performed.

We are therefore unable to comment on the adjustments, if any, arising from such events in the case of these subsidiaries which may have occurred in the time period between December 31, 2019 and the date of this report.

- g. In case of the Parent Company and certain subsidiaries, the review reports contain a disclaimer of conclusion relating to going concern; the review reports of certain other subsidiaries contain a paragraph stating that there was material uncertainty relating to going concern assumption. However, the management has prepared the consolidated financial results on a going concern basis as detailed in note 22. On a consideration of the overall position and in view of the matters stated in paragraphs above we are unable to comment on whether the going concern basis for preparation of the Statement is appropriate.

6. Disclaimer of conclusion

In view of the nature of the matters described in paragraph 6, '**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,





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

or that it contains any material misstatement. Thus, we do not express a conclusion on the accompanying financial results.

7. Emphasis of Matter

- a. As detailed in note 18 of the Statement, sufficient appropriate evidence is not available to support a subsidiary's compliance with Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. Further, the Parent Company and another subsidiary had filed applications seeking exemption from registering themselves as Non-Banking Financial Company (NBFC). As at the date of this review report, a response from RBI is awaited. Further with respect to one subsidiary, it has not filed an application with the RBI till date seeking condonation of the above non-compliance.

Accordingly, we are unable to comment on the compliance with the aforesaid regulations and consequential impact, if any on the Statement.

- b. The Parent Company has also received a notice from Registrar of Companies, Karnataka, calling for information in connection with a proposed enquiry under Section 206 of the Companies Act, 2013. Which has been responded to by the company.

Pending the outcome of the enquiry and related proceedings, we are unable to comment on the impact of the same on the Statement.

- c. In case of 1 subsidiary which in turn has 5 subsidiaries, 2 joint ventures and 1 step-down subsidiary, we understand that the concerned auditor was informed by the management that no official communication was received by them from any of the lenders for recalling the loan till date. However, the said auditor was not in receipt of confirmation letters from the lenders that the loans were not recalled.





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

- d. In case of 1 subsidiary, which in turn has 31 subsidiaries, 1 associate and 2 joint ventures, the subsidiary has entered into definitive binding agreement with prospective buyer on September 12, 2019 for the sale of Global Village Undertaking and the first phase of the transaction is concluded on March 27, 2020.
- e. In case of 1 subsidiary, which in turn has 31 subsidiaries, 1 associate and 2 joint ventures, the subsidiary has entered into definitive binding agreement with prospective buyer on January 10, 2020 for the sale of Way2Wealth Securities Private Limited including its certain subsidiaries.
- f. In case of certain subsidiaries interest for the loans to related parties has not been charged. However, the same is not consistent as compared to earlier periods.
- g. In case of 1 subsidiary, which in turn has 14 subsidiaries and 2 joint ventures, the concerned auditor has emphasized that the subsidiary has not serviced debt on due dates to the banks and financial institutions to the extent of INR 129 Crore comprising of principal of INR 107 Crore and interest of INR 22 Crore owing to acute liquidity crunch.

8. Other matters

- a. The unaudited financial results of 42 subsidiaries, 2 Associates, and 5 Joint ventures included in the Statement (reviewed by other auditors) reflect total revenues of INR 568 Crore and total net profit after tax of INR 193 Crore for the quarter ended December 31, 2019, 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.





Coffee Day Enterprises Limited
Consolidated limited review report (continued)

- b. The financial results of 4 subsidiaries which are yet to commence operations for the quarter ended December 31, 2019, as considered in the Statement have not been reviewed either by us/ other auditors. However, the relevant financial information of these entities has been approved by the Management of the Parent Company. According to the information and explanations given to us by the Management, these financial results are not material to the Group.
- c. With regard to 1 subsidiary, which in turn has 12 subsidiaries, the concerned auditor has drawn attention to an appeal pending with the Securities Appellate Tribunal ('SAT') against an order received from Securities Exchange Board of India ('SEBI') demanding a sum of INR 15.34 Crore and interest thereon. The subsidiary has deposited INR 7.5 Crore with SEBI as required by the SAT ruling. The impact of the final disposal of the case has not been considered in this statement.
- d. We further draw your attention to the Note No. 24 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

(F.R.No.004636S)

CA Dasaraty V

Partner

(M.No.026336)

Chennai, August 21, 2020

UDIN: 20026336AAAADI9039



Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2019 (Rs in Crores except per share data)

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|-----------|---|-----------------|-----------------|----------------|-------------------|-----------------|-----------------|
| | | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Mar-19 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | Revenue from operations | 567.83 | 694.16 | 875.42 | 2,101.72 | 2,578.11 | 3,764.12 |
| | Other income | 23.38 | 14.95 | 32.26 | 57.23 | 85.75 | 195.75 |
| | Total income | 591.21 | 709.11 | 907.68 | 2,158.95 | 2,663.86 | 3,959.87 |
| 2 | Expenses | | | | | | |
| | Cost of materials consumed | 135.02 | 149.63 | 145.72 | 493.35 | 526.79 | 764.23 |
| | Cost of integrated logistics services | 172.77 | 248.78 | 328.32 | 697.73 | 841.19 | 1,166.35 |
| | Purchases of stock-in-trade | 1.56 | 1.11 | - | 4.29 | - | 235.75 |
| | Changes in inventories of finished goods and work-in-progress | 3.59 | 13.06 | 8.81 | 19.78 | 7.20 | (4.09) |
| | Employee benefits expense | 112.48 | 123.66 | 121.00 | 359.71 | 361.22 | 485.78 |
| | Finance costs | 112.72 | 124.50 | 84.16 | 395.77 | 260.07 | 369.61 |
| | Depreciation and amortization expense | 106.93 | 97.54 | 71.72 | 319.23 | 205.48 | 272.52 |
| | Other expenses | 138.28 | 170.01 | 163.07 | 444.18 | 518.40 | 702.50 |
| | Total expenses | 783.35 | 928.29 | 922.80 | 2,734.04 | 2,720.35 | 3,992.65 |
| 3 | Loss before share of profit from equity accounted investees, exceptional items and tax (1 - 2) | (192.14) | (219.18) | (15.12) | (575.09) | (56.49) | (32.78) |
| 4 | Exceptional items(Refer note 6) | 0.00 | - | 73.00 | 1,941.95 | 73.00 | 98.10 |
| 5 | Profit/(loss) before share of profit from equity accounted investees and tax (3 + 4) | (192.14) | (219.18) | 57.88 | 1,366.86 | 16.51 | 65.32 |
| 6 | Share of profit from equity accounted investees (net of income tax) | (2.14) | (3.55) | 31.14 | (7.95) | 93.42 | 86.96 |
| 7 | Profit/(loss) before tax (5 + 6) | (194.28) | (222.73) | 89.02 | 1,358.91 | 109.93 | 152.28 |
| 8 | Tax expense | (1.29) | (6.28) | 29.17 | 79.65 | 51.82 | 62.75 |
| 9 | Profit for the period (7 - 8) | (192.99) | (216.45) | 59.85 | 1,279.26 | 58.11 | 89.53 |
| 10 | Profit/(loss) from discontinued operations, net of tax (Refer note 9 & 10) | 29.04 | 1.73 | 13.67 | 14.47 | 60.31 | 57.70 |
| 11 | Profit for the period (9+10) | (163.95) | (214.72) | 73.52 | 1,293.73 | 118.42 | 147.23 |
| | Attributable to owners of the company | (140.64) | (177.29) | 63.51 | 1,299.94 | 101.71 | 127.51 |
| | Attributable to non-controlling interests | (23.31) | (37.43) | 10.01 | (6.21) | 16.71 | 19.72 |
| | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss, net of tax | (1.98) | (3.20) | 1.49 | (6.55) | 0.92 | (2.62) |
| | Items that will be reclassified to profit or loss, net of tax | (0.10) | (0.78) | (0.34) | (0.09) | 2.38 | 2.32 |
| | Other comprehensive income for the year from Discontinued Operation Net of Taxes | (0.11) | (3.87) | (1.31) | (3.67) | 1.05 | 1.69 |
| 12 | Other comprehensive income for the period, net of tax | (2.19) | (7.85) | (0.16) | (10.31) | 4.35 | 1.39 |
| | Attributable to owners of the company | (1.81) | (5.11) | 1.88 | (7.25) | 3.59 | 0.73 |
| | Attributable to non-controlling interests | (0.38) | (2.74) | (2.04) | (3.06) | 0.76 | 0.66 |
| 13 | Total comprehensive income for the period (11 + 12) | (166.14) | (222.57) | 73.36 | 1,283.42 | 122.77 | 148.62 |
| | Attributable to owners of the company | (142.45) | (182.40) | 65.38 | 1,292.69 | 105.31 | 128.24 |
| | Attributable to non-controlling interests | (23.69) | (40.17) | 7.98 | (9.27) | 17.46 | 20.38 |
| 14 | Paid-up equity share capital (face value of Rs 10 each) | 211.25 | 211.25 | 211.25 | 211.25 | 211.25 | 211.25 |
| 15 | Reserves excluding revaluation reserves | - | - | - | - | - | 2,317.83 |
| 16 | Earnings per share: | | | | | | |
| | Basic earnings per share (In Rs.) | (6.66) | (8.39) | 3.01 | 61.54 | 4.81 | 6.04 |
| | Diluted earnings per share (In Rs.) | (6.66) | (8.39) | 3.01 | 61.54 | 4.81 | 6.04 |

See accompanying notes to the financial results

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, Integrated multimodal logistics, Financial services, Leasing of commercial office space, Hospitality services and Investment operations.

Financial information on our consolidated reportable operating segments for the quarter and nine months ended 31 December 2019 is set out as below:

(Rs in Crores except per share data)

| Sl. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|----------|---|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|
| | | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Mar-19 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment revenue | | | | | | |
| | a) Coffee and related business | 344.74 | 367.96 | 417.15 | 1,155.27 | 1,318.47 | 2,043.46 |
| | b) Integrated multimodal logistics | 187.58 | 297.76 | 414.15 | 847.41 | 1,098.49 | 1,524.94 |
| | c) Financial services | 21.45 | 26.97 | 39.68 | 70.94 | 150.53 | 176.67 |
| | d) Leasing of commercial office space | 0.24 | 0.78 | 0.74 | 1.79 | 1.44 | 2.20 |
| | e) Hospitality services | 9.32 | 6.65 | 8.85 | 25.08 | 24.97 | 32.39 |
| | f) Investment operations | 12.78 | 11.91 | 13.23 | 44.57 | 38.64 | 59.39 |
| | Total Operating Revenue | 576.11 | 712.03 | 893.80 | 2,145.06 | 2,632.54 | 3,839.05 |
| | Revenue from Discontinued operations | | | | | | |
| | a) Financial services | 89.29 | 86.55 | 82.66 | 219.70 | 254.72 | 350.40 |
| | b) Leasing of commercial office space | 44.63 | 44.16 | 38.56 | 133.05 | 110.84 | 153.31 |
| | Total | 710.03 | 842.74 | 1,015.02 | 2,497.81 | 2,998.10 | 4,342.76 |
| 2 | Segment result | | | | | | |
| | a) Coffee and related business | 57.69 | 20.40 | 83.86 | 144.97 | 250.40 | 335.45 |
| | b) Integrated multimodal logistics | (29.65) | (10.75) | 42.16 | (0.91) | 125.24 | 172.75 |
| | c) Financial services | (4.93) | (11.03) | (2.32) | (25.91) | (4.97) | (9.80) |
| | d) Leasing of commercial office space | (0.86) | (1.81) | 16.72 | (2.15) | 41.00 | 76.46 |
| | e) Hospitality services | 3.13 | 0.57 | (0.02) | 5.87 | 3.51 | 4.14 |
| | f) Investment operations (refer note 6) | (0.01) | 1.93 | 104.49 | 1,952.04 | 160.30 | 215.41 |
| | Total from continuing operations | 25.37 | (0.69) | 244.89 | 2,073.91 | 575.48 | 794.41 |
| | Segment result Discontinued operations | | | | | | |
| | a) Financial services | 19.06 | 6.13 | 11.80 | 4.73 | 40.39 | 43.77 |
| | b) Leasing of commercial office space | 38.96 | 38.69 | 28.98 | 114.84 | 92.07 | 123.15 |
| | Total | 83.39 | 44.13 | 285.67 | 2,193.48 | 707.94 | 961.33 |
| 3 | Reconciliation to consolidated financial results | | | | | | |
| | Segment revenue form continuing operations | 576.11 | 712.03 | 893.80 | 2,145.06 | 2,632.54 | 3,839.05 |
| | Less: reconciling items | | | | | | |
| | Inter-segment revenue | 8.28 | 17.87 | 18.38 | 43.35 | 54.43 | 74.93 |
| | Revenue from continuing operations | 567.83 | 694.16 | 875.42 | 2,101.72 | 2,578.11 | 3,764.12 |
| | Segment result | 25.37 | (0.69) | 244.89 | 2,073.91 | 575.48 | 794.41 |
| | Less: reconciling items | | | | | | |
| | Depreciation and amortisation expense | 106.93 | 97.54 | 71.72 | 319.23 | 205.48 | 272.52 |
| | Finance costs | 112.72 | 124.50 | 84.16 | 395.77 | 260.07 | 369.61 |
| | Tax expense, net | (1.29) | (6.28) | 29.17 | 79.65 | 51.82 | 62.75 |
| | Profit for the period | (192.99) | (216.45) | 59.85 | 1,279.26 | 58.11 | 89.53 |

See accompanying notes to the 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. Further, the segment results disclosed under investment operations for nine months ended 31 December 2019, includes exceptional gain on account of sale equity stake in Mindtree Limited (refer note 6).

b) Since the information about segment assets and segment liabilities are not reviewed by the CODM, the Company has not presented such information as a part of its segment disclosure, which is in accordance with the requirements of Ind AS 108.

Notes:

- 1 The consolidated financial results of Coffee Day Enterprises Limited ("the Parent Company" or "CDEL" or "the Company") and its subsidiaries (collectively known as 'the Group') and its associates and joint ventures have been compiled by the management of the Parent Company which has been consolidated based on the 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 Securities Private Limited, Way2Wealth Capital Private Limited, Way2Wealth Brokers Private Limited, AlphaGrep Securities Private Limited, Way2Wealth Commodities Private Limited, Way2Wealth Enterprises Private Limited, Way2Wealth Insurance Brokers Private Limited, Alphagrep Commodities Private Limited, Alphagrep Pte Limited, AlphaGrep Holding HK Limited, AlphaGrep UK Limited, Shanghai Dao Ge International Trading 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, Magnasoft Europe Limited, Magnasoft Spatial Services Inc., Coffee Day Kabini Resorts Limited, Tanglin Developments Limited, Tanglin Retail Reality Developments Private Limited, Sical Logistics Limited, Sical Infra Assets Limited, Sical Iron Ore Terminal Limited, Sical Iron Ore Terminal (Mangalore) Limited, Sical Connect Limited, Sical Mining Limited, Sical Saumya Mining Limited, Sical Bangalore Logistics Park Limited, Sical Supply Chain Solutions Limited, Bergen Offshore Logistics Pte. Limited, Sical Washeries Limited, Sical Multimodal and Rail Transport Limited, Sical Logixpress Private Limited, PAT Chems Private Limited, Develecto Mining Limited, Girividyuth India Limited and GV Tech Praks Private Limited.

The consolidated net profit 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, PSA Sical Terminals Limited, Sical Sattva Rail Terminal Private Limited and the Group's share of profits from associate companies namely Ittiam Systems Private Limited and Barefoot Resorts and Leisure India Private Limited.

- 2 The Statement of unaudited consolidated financial results ('the Statement') of the Group for the quarter ended and nine months ended 31 December 2019 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on 21 August 2020.
- 3 The unaudited consolidated financial results for the quarter and nine months ended 31 Decemebr 2019 was subjected to "Limited Review" by Statutory Auditors of the Company and they have expressed disclaimer of conclusion. The review report of the Statutory Auditors is being filed with Bombay Stock Exchange and National Stock Exchange and is also available on the Company's website www.coffeeday.com.
- 4 Pursuant to the provisions of Listing Agreement, the Management has decided to publish unaudited consolidated financial results in the newspapers. However, the unaudited standalone financial results of the Company will be made available on the Company's website www.coffeeday.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 5 Information of standalone financial results of the Company:

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---|---------------|-----------|-----------|-------------------|-----------|------------|
| | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Mar-19 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Total income from operations | 3.84 | 3.96 | 12.20 | 19.63 | 46.67 | 124.06 |
| Profit/(Loss) for the period before tax | (16.63) | (22.50) | (19.23) | 1429.01* | (45.44) | (67.71) |
| Profit/(Loss) for the period after tax | (14.97) | (19.57) | (19.23) | 1395.28* | (45.44) | (67.71) |

*Includes exceptional gain on account of sale of equity stake in Mindtree Limited amounting to Rs. 1,504 crores.

- 6 On 7 February 2019, the Board of Directors provided an in principal approval to sell the shares of Mindtree Limited held by the Company and its subsidiary. Subsequently, on 18 March 2019, the Company entered into an agreement to sell the shares of Mindtree Limited held by the Company and its subsidiary as well as directly held by the Promoter, to Larsen and Toubro Limited at an agreed price of Rs. 980 per share subject to certain terms and conditions as per the agreement. On 30 April 2019, the transaction for sale of shares in Mindtree Limited has been completed and the Company along with its subsidiary received the entire agreed consideration. During the nine months ended 31 December 2019, the Company has recorded the gain on sale of such shares net of transaction costs as an exceptional item amounting to Rs. 1,975 crores. The exceptional items for nine months ended 31 December 2019 includes loss of Rs. 23 crores on sale of shares held in Global Edge software limited and Rs. 10 crores on impairment of certain intangible assets by a subsidiary.
- 7 The Group has adopted Ind AS 116 – "Leases", effective annual reporting period beginning from 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognized as an adjustment to the opening balance of retained earnings as on 1 April 2019. In the Statement for the current period the nature of expenses in respect of operating lease has changed from lease rent in previous periods to depreciation for the right-to-use asset amounting to Rs. 85.58 crores and finance costs for interest accrued on lease liability amounting to Rs. 61.71 crores.
- 8 On 3 April 2019, Coffee Day Global Limited (CDGL) transferred assets pertaining to one of its businesses to Coffee Day Econ Private Limited a step-down subsidiary of Coffee Day Consultancy Services Private Limited ('CDCSPL'). On 5 April 2019, CDEL and CDGL together made investment by way of 100% subscription of equity shares of CDCSPL. Further, on 8 April 2019 CDEL, CDGL and CDCSPL entered into share subscription agreement with Impact HD Inc., (IHD) for subscription to equity shares of CDCSPL by IHD. Post subscription of equity shares by IHD; CDEL and CDGL together will hold 51% of the paid-up equity capital of CDCSPL with equal rights at the Board, between IHD and CDEL / CDGL, thereby becoming a JV.

- 9 On 14 August 2019, on approval of Board of Directors of the Parent Company, Tanglin Development Limited (“TDL”) the subsidiary company executed the definitive agreements with entities belonging to Blackstone Group and Salarpuria Sattva Group for divestment of Global Village Techparks (discontinued business) for a consideration of Rs. 2,700 crores subject to closing conditions. Subsequently on 27 March 2020, TDL has received first tranche of Rs. 2,000 crores. The balance amount is expected to be received after the receipt of few statutory approvals. Out of the consideration received, TDL has repaid its external borrowings including principal and interest amounting to Rs. 1,644 crores to its lenders.

The results of discontinued business included in the consolidated financial results are as follows

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|-------------------|---------------|-----------|-----------|-------------------|-----------|------------|
| | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Mar-19 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Revenue | 44.03 | 43.15 | 38.53 | 131.14 | 109.55 | 150.19 |
| Expenses | 31.16 | 36.69 | 31.31 | 106.39 | 76.81 | 123.69 |
| Profit before tax | 12.87 | 6.46 | 7.22 | 24.75 | 32.74 | 26.50 |
| Tax expenses | - | - | 2.77 | - | 2.79 | 0.91 |
| Profit after tax | 12.87 | 6.46 | 4.45 | 24.75 | 29.95 | 25.58 |

- 10 On 14 August 2019, the Board of Directors of the Parent Company provided an in-principal approval for disinvestment in its step-down subsidiary, AlphaGrep Securities Private Limited (discontinued business) in favour of Illuminati Software Private Limited. Subsequently, on 14 November 2019, Way2Wealth Securities Private Limited, the subsidiary company entered into a definitive agreement to sell AlphaGrep Securities Private Limited. The closing conditions were met, and necessary approvals were obtained following which the Company received sale consideration of Rs. 20 crores on 5 March 2020.

The results of discontinued business included in the consolidated financial results are as follows

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|-------------------|---------------|-----------|-----------|-------------------|-----------|------------|
| | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 | 31-Mar-19 |
| | Unaudited | Unaudited | Unaudited | Unaudited* | Unaudited | Audited |
| Revenue | 89.66 | 89.20 | 83.25 | 223.35 | 260.89 | 356.73 |
| Expenses | 69.62 | 86.48 | 73.82 | 223.73 | 226.91 | 322.52 |
| Profit before tax | 20.04 | 2.72 | 9.43 | (0.38) | 33.98 | 34.21 |
| Tax expenses | 3.87 | 7.46 | 0.22 | 9.90 | 3.62 | 2.10 |
| Profit after tax | 16.17 | (4.74) | 9.22 | (10.28) | 30.36 | 32.12 |

- 11 The Board of Directors of the Parent 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.
- 12 The Company and certain its subsidiaries have exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
- 13 The Group has goodwill amounting to Rs. 491 crores as at 30 September 2019. The Parent Company shall carry out impairment assessment of the goodwill in its annual financial statements for the year ended 31 March 2020, as consistent with its past practice of carrying out impairment assessment at every yearend and hence impact, if any, has not been considered in this Statement.
- 14 Tanglin Developments Limited (a wholly-owned subsidiary) has sold 1,650,675 shares held by it in Ittiam Systems Private Limited, an associate of the Company, for aggregate consideration of Rs. 18 crores, in November 2019 and January 2020.
- 15 On 8 January 2020, the Board of Directors of the Parent Company provided an in principal approval to sell the shares of Way2Wealth Securities Private Limited held by the Parent Company and its subsidiaries. Subsequently, on 23 January 2020, the Parent Company entered into a definitive agreement to sell Way2Wealth Securities Private Limited including its certain subsidiaries to Shriram Ownership Trust, subject to the closing conditions and required statutory approvals.
- 16 On 9 January 2020, the Parent Company, made a Disclosure in terms of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21 November 2019 for the quarter ended 31 December 2019 regarding the disclosures of defaults on payments of interest/ repayment of principal amount on loans from Banks/ Financial institutions and unlisted debt securities. As per the disclosure, the Parent Company has defaulted in payment of interest amounting to Rs. 1.48 crores towards loans or revolving facilities like cash credit from banks or financial institutions and Rs. 8 crores towards Unlisted debt securities i.e., Non-convertible Debentures.

- 17 On 10 January 2020, the National Stock Exchange of India Limited issued a notice to the Company stating that trading in securities of the Parent Company will be suspended with effect from 3 February 2020 due to non-compliance with Regulation 33 of SEBI Regulations for two consecutive quarters i.e. 30 June 2019 and 30 September 2019 and/ or for non-payment of fine levied for the identified non-compliance. The trading of the securities would be allowed on the first trading day of every week for six months.
- 18 The financial income of the Parent Company, Coffee Day Trading Limited ('CDTL') and Way2Wealth Securities Private Limited (W2WSPL) earned during nine months ended 31 December 2019 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 Decemebr 2019, 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 Parent 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 Parent Company and CDTL are awaiting response from RBI. W2WSPL has not filed an application with the RBI till date seeking condonation of the above non-compliance.
- 19 The Company has given a corporate guarantee of Rs. 1,000 million for a loan taken by a wholly owned subsidiary which is only due for repayment in the month of October 2020. 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.
- 20 On 21 July 2020, the Company made a Disclosure of Shareholding pattern of the Parent Company for the quarter ended 30 June 2020 to the BSE and NSE. As per the disclosure, percentage of shareholding by the promoter group in the Company as on 31 December 2019 was 17.64% and reduced to 15.23% as at 30 June 2020 due to invocation of the pledged equity shares by various lenders.
- 21 The Group has borrowings amounting to Rs. 4,685 crores as at 30 September 2019. 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, however, as at 31 Decemebr 2019 these lenders have not extinguished their right nor exercised their right to recall such balances. On the date of this statement, there have been certain defaults in repayments of principal and interest of the loans and certain lenders have exercised their rights including recall the loans.
- 22 These consolidated financial results for the quarter and nine months ended 31 December 2019 have been prepared on a going concern basis in view of the positive net worth of the Group amounting to Rs 4,532 crores as of 30 September 2019, 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 (refer note 6 of this Statement), sale of Global Village Tech Park owned by its wholly-owned subsidiary Tanglin Developments Limited (refer note 9 of this Statement), sale of Way2Wealth Group entities (refer note 10 and 15 of this Statement), sale of stake held in Itiam Systems Private Limited (refer note 14 of this Statement), operational efficiencies and consequential ability to service its obligations.
- 23 On the basis of the control exercised by the group on the board of directors of Sical Logistics Limited, the company is continuing to consolidate the financials of Sical logistics limited even though there is a reduction in the group shareholding in Sical Logistics Limited below 50% as of 31.12.2019.
- 24 In view of the order of Ministry of Home Affairs dated 24 March 2020, due to the outbreak of global health pandemic COVID-19 (Coronavirus) in India, certain entities of the Group have closed operations with effect from 25 March 2020. The same is considered as a non-adjusting subsequent event. As at the date of this Statement, it is not possible to reliably estimate the financial effect (if any) of the above event on the Group's operations or fair value of investments and/or other assets.

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

-Sd-
S V Ranganath
Interim Chairman
Place: Bangalore
Date: 21 August 2020



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, 2019.
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' ('IndAS 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. Primarily in relation to current quarter transactions with group companies as at December 31, 2019, we have not been provided with sufficient evidence with respect to recoverability of dues from group companies/subsidiaries amounting to INR 1,757





Coffee Day Enterprises Limited
Limited review report (continued)

Crore. 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 14 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 this Statement.

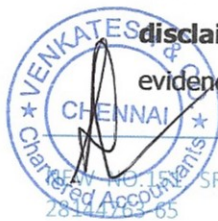
- b. We have not been provided with Management's assessment of the indicators and consequential assessment of impairment of its investments in subsidiaries, associates and joint ventures with a carrying value of INR 1,943 Crore as at December 31, 2019, as required by Ind AS 36, 'Impairment of Assets', particularly consequent to developments during this period. As detailed in note 9 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.

- c. This Statement has been prepared by the Management and Board of Directors using the going concern assumption (refer note 17 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



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Coffee Day Enterprises Limited
Limited review report (continued)

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 concluded that MACEL ('Mysore Amalgamated Coffee Estates Limited') 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.

- b. The Company has also received a notice from Registrar of Companies, Karnataka, calling for information in connection with a proposed enquiry under Section 206 of the Companies Act, 2013.





Coffee Day Enterprises Limited
Limited review report (continued)

The Company has responded to the inquiry and has furnished the information called for. Pending the outcome of the enquiry and related proceedings, we are unable to comment on the impact of the same on this Statement.

- c. As detailed in note 13 of the Statement, the Company has filed an application seeking a onetime 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. 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.

7. Other matters

We further draw your attention to the Note No. 18 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

(F.R.No.004636S)

CA Dasaraty V

Partner

(M.No.026336)

Chennai, August 21, 2020

UDIN: 20026336AAAADH3618



Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2019 (Rs in million except per share data)

| Sl. No. | Particulars | Quarter ended | | | Nine Months Ended | | Year ended |
|---------|--|------------------|-------------------|------------------|-------------------|------------------|-----------------|
| | | 31 December 2019 | 30 September 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 | 31 March 2019 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Income | | | | | | |
| | a) Revenue from operations | 36.30 | 23.43 | 117.20 | 151.82 | 454.22 | 1,223.16 |
| | b) Other income | 2.08 | 16.18 | 4.80 | 44.45 | 12.49 | 17.42 |
| | Total income (a+b) | 38.38 | 39.61 | 122.00 | 196.27 | 466.71 | 1,240.58 |
| 2 | Expenses | | | | | | |
| | a) Purchase of stock-in-trade | - | - | - | - | - | 691.27 |
| | b) Employee benefits expense | 20.74 | 20.78 | 22.80 | 63.67 | 59.64 | 84.99 |
| | c) Finance costs | 167.78 | 228.51 | 268.70 | 814.04 | 801.03 | 1,050.78 |
| | d) Depreciation and amortization expense | 1.56 | 1.50 | 1.20 | 4.57 | 3.52 | 4.66 |
| | e) Other expenses | 14.61 | 13.86 | 21.60 | 61.90 | 56.89 | 86.02 |
| | Total expenses (a+b+c+d+e) | 204.69 | 264.65 | 314.30 | 944.18 | 921.08 | 1,917.72 |
| 3 | Profit/(loss) before exceptional items and tax (1 - 2) | (166.31) | (225.04) | (192.30) | (747.91) | (454.37) | (677.14) |
| 4 | Exceptional items (refer note 4) | - | - | - | 15,037.96 | - | - |
| 5 | Profit/(Loss) before tax (3 + 4) | (166.31) | (225.04) | (192.30) | 14,290.05 | (454.37) | (677.14) |
| 6 | Tax expense | (16.59) | (29.33) | - | 337.27 | - | - |
| 7 | Profit/ (Loss) for the period (5-6) | (149.72) | (195.71) | (192.30) | 13,952.78 | (454.37) | (677.14) |
| | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss, net of tax | - | - | - | 0.14 | 0.12 | 0.55 |
| 8 | Other comprehensive income for the period, net of tax | - | - | - | 0.14 | 0.12 | 0.55 |
| 9 | Total comprehensive income for the period (7+8) | (149.72) | (195.71) | (192.30) | 13,952.92 | (454.25) | (676.59) |
| 10 | 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 |
| 11 | Reserves excluding revaluation reserve | - | - | - | - | - | 15,970.83 |
| 12 | Earnings per equity share for continuing operations (not annualised) | | | | | | |
| | (a) Basic (Rs) | (0.71) | (0.93) | (0.91) | 66.05 | (2.15) | (3.21) |
| | (b) Diluted (Rs) | (0.71) | (0.93) | (0.91) | 66.05 | (2.15) | (3.21) |

See accompanying notes to the financial results

Notes:

- 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 2019 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 21 August 2020. The Statutory Auditors have expressed disclaimer of conclusion in 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 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 given in these standalone financial results.
- 4 On 7 February 2019, the Board of Directors provided an in principal approval to sell the shares in Mindtree Limited held by the Company and its subsidiary. Subsequently, on 18 March 2019, the Company had entered into an agreement to sell the shares of Mindtree Limited held by the Company and its subsidiary as well as directly held by the Promoter to Larsen and Toubro Limited at an agreed price of Rs 980 per share subject to certain terms and conditions as per the agreement. On 30 April 2019, the transaction for sale of shares in Mindtree Limited has been completed and the Company and its subsidiary received the entire agreed consideration. During nine months ended 31 Decemebr 2019, the Company has recorded the gain on sale of such shares net of transaction costs as an exceptional item amounting to Rs. 15,037.96 million.
- 5 The Company has adopted Ind AS 116 – "Leases", effective reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. In the Statement for the current period the nature of expenses in respect of operating lease has changed from lease rent in previous periods to depreciation cost for the rightto-use asset amounting to Rs. 1.25 million and finance costs for interest accrued on lease liability amounting to Rs. 4.26 million.
- 6 On 14 August 2019 on approval of Board of Directors, Tanglin Development Limited ("TDL"), the subsidiary company executed definitive agreements with entities belonging to the Blackstone Group and Salarpuria Sattva Group for divestment of Global Village Techpark for a consideration of Rs. 27,000 million, subject to closing conditions. Subsequently, on 27 March 2020, TDL has received the first tranche of Rs. 20,000 million. The balance amount is expected to be received after the receipt of few statutory approvals. Out of the consideration received, TDL has repaid its external borrowings including principal and interest amounting to Rs. 16,440 million.
- 7 On 14 August 2019, the Board of Directors of the Company provided an in-principal approval for disinvestment in its step-down subsidiary, AlphaGrep Securities Private Limited in favour of Illuminati Software Private Limited. Subsequently, on 14 November 2019, Way2Wealth Securities Private Limited, the subsidiary company entered into a definitive agreement to sell AlphaGrep Securities Private Limited. The closing conditions were met and necessary approvals were obtained following which the Company received sale consideration of Rs. 200 million on 5 March 2020.
- 8 The Company and certain its subsidiaries have exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.
- 9 The Company has investments in subsidiaries, associates and joint venture amounting to Rs. 19,431 million as at 31 Decemebr 2019. The Company shall carry out impairment assessment of above balances in its annual financial statements for the year ended 31 March 2020, as consistent with its past practice of carrying out impairment assessment at every year-end and hence impact, if any, has not been considered in this Statement.
- 10 On 8 January 2020, the Board of Directors of the Parent Company provided an in principal approval to sell the shares of Way2Wealth Securities Private Limited held by the Parent Company and its subsidiaries. Subsequently, on 23 January 2020, the Parent Company entered into a definitive agreement to sell Way2Wealth Securities Private Limited including its certain subsidiaries to Shriram Ownership Trust, subject to the closing conditions and required statutory approvals.

- 11 On 9 January 2020, the Company made a Disclosure in terms of SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21 November 2019 for the quarter ended 31 December 2019 regarding the disclosures of defaults on payments of Interest/Repayment of principal amount on loans from Banks/ Financial institutions and unlisted debt securities. As per the disclosure, the Company has defaulted in payment of interest amounting to Rs. 14.80 million towards loans or revolving facilities like cash credit from banks or financial institutions and Rs 80 million towards Unlisted debt securities i.e., Non-convertible Debentures.
- 12 On 10 January 2020, the NSE issued a notice to the Company stating that trading in securities of the Company will be suspended with effect from 3 February 2020 due to non-compliance with Regulation 33 of SEBI Regulations for two consecutive quarters i.e. 30 June 2019 and 30 September 2019 and/or for non-payment of fine levied for the identified non-compliance. The trading of the securities would be allowed on the first trading day of every week for six months.
- 13 The Company primarily derives its revenue from running or operating resorts and/ or managing hotels, sale of coffee beans and providing consultancy services. During the quarter and nine months ended 31 Decemebr 2019, the Company derived an exceptional gain of Rs. 15,037.96 million, net of transaction costs from sale of its investment in Mindtree Limited (refer note 4). Thus, the financial income of the Company earned during the current quarter and nine months ended 31 Decemebr 2019 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 Decemebr 2019, 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.
- 14 The Company has given a corporate guarantee of Rs. 1,000 million for a loan taken by a wholly owned subsidiary which is only due for repayment in the month of October 2020. 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.
- 15 On 21 July 2020, the Company made a Disclosure of Shareholding pattern of the Parent Company for the quarter ended 30 June 2020 to the BSE and NSE. As per the disclosure, percentage of shareholding by the promoter group in the Company as on 31 Decemebr 2019 was 17.64% and reduced to 15.23% as at 30 June 2020 due to invocation of the pledged equity shares by various lenders.
- 16 The Company has borrowings outstanding amounting to Rs. 4,935 million as at 30 September 2019. 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, however, as at 31 December 2019 as well as the date of this Statement, these lenders have not extinguished their right nor have exercised their right to recall such balances.
- 17 These standalone financial results for the quarter and nine months ended 31 Decemebr 2019 have been prepared on a going concern basis in view of the positive net worth of the Company amounting to Rs.32,159.99 million as of 30 September 2019, significant value in diversified portfolio of investments held in subsidiaries / joint ventures / associates, established track record of the Company to monetize it's assets as demonstrated by sale of stake in Mindtree Limited (refer note 4 of this Statement), sale of Global Village Tech Park owned by its wholly-owned subsidiary Tanglin Developments Limited (refer note 6 of this Statement), sale of stake in Way2Wealth Group entities (refer note 7 & 10 of this Statement), profitable resorts operations and consequential ability to service the obligations.
- 18 In view of the order of Ministry of Home Affairs dated 24 March 2020, due to the outbreak of global health pandemic COVID-19 (Coronavirus) in India, the Company has closed operations with effect from 25 March 2020. The same is considered as a non-adjusting subsequent event. As at the date of this Statement, it is not possible to reliably estimate the financial effect (if any) of the above event on the Company's operations or fair value of investments and/or other assets.

for and on behalf of Board of Directors of

Coffee Day Enterprises Limited

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S V Ranganath
Interim Chairman

Place: Bangalore

Date: 21 August 2020