

COFFEE DAY ENTERPRISES LIMITED
CIN : L55101KA2008PLC046866
NO. 23/2, COFFEEDAY SQUARE VITTAL MALLYA ROAD BANGALORE KA 560001
Email: sadananda@abccoffeeday.com

To,

Date: 24.07.2020

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

BSE Limited
General Manager-DSC
Phiroje Jeejeebhoy Towers
Dalal street
Mumbai-400001
Tel:022-22722039
Scrip code: 539436

Dear Sirs,

Ref: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015

Sub: Investigation Report

The Board of Directors of Coffee Day Enterprises Ltd (CDEL) in their meeting held on August 30, 2019 appointed Mr. Ashok Kumar Malhotra, retired DIG of Central Bureau of Investigation (CBI), (who has also headed several special investigations) to investigate into the circumstances leading to the statements made in the letter of Late V.G Siddhartha dated July 27, 2019 and to scrutinize the books of accounts of Coffee Day Enterprises Limited (CDEL) and its subsidiaries.

Mr. Ashok Kumar Malhotra is supported by Agastya Legal, New Delhi, consisting of legal professionals lead by their senior partner Dr. M. R. Venkatesh, practicing advocate at High Court and Supreme Court of India, also having an educational background of being a Chartered Accountant. The Board further authorized Mr. Ashok Kumar Malhotra to appoint and take support of any other professional/professional firm to carry out the assignment.

CDEL consists of 49 subsidiaries and the investigation report was submitted to the Board of CDEL by the investigators on July 24, 2020. Attached is the copy of the Synopsis of the Report- Annexure 1.

A review of the report will indicate compliance with the accounting standards, reporting to Shareholders and various Statutory Authorities. However, the report highlights the following;

M/s Mysore Amalgamated Coffee Estates Limited (MACEL), an entity on the personal business side of Late V. G. Siddhartha had a continuing business relationship with subsidiary companies of CDEL. MACEL was paid advances by subsidiary companies of CDEL & the same is elaborated in the synopsis of the report (attached). The amounts were sent to MACEL through normal banking channels.

- The steps are being taken by subsidiaries of CDEL, for recovery of dues from MACEL.
- The board authorized the 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.

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The following points also can be noted

- The personal assets/shares of Late. V.G. Siddhartha were hypothecated/pledged for business loans of the Company and its subsidiaries. He also gave personal guarantees for the Company and its subsidiaries and also provided the personal guarantee of his family members.
- After the sad demise of Late V. G Siddhartha, an executive committee was formed consisting of the following members:
 1. Mr. S.V. Ranganath- Interim Chairman of the Board of CDEL & CDGL
 2. Mrs. Malavika Hegde- Wife of Late V. G Siddhartha, and Board Member of CDEL / CDGL.
 3. Mr. Nitin Bagmane – COO of CDEL (Resigned as COO of CDEL on 14.07.2020)
 4. Mr. Ram Mohan – Chairman of Sical Logistics Limited and CFO of CDEL.
- This committee supported by senior professionals focused to protect the interest of all Stakeholders. The debt levels which were approximately Rs 7,200 crores as on March 31, 2019 has been brought down significantly by Rs. 4,000 crores till date. The present debt of the group is approximately around Rs. 3,200 cr
- Disinvestment process in the group continues and we are confident to have effective solution to all stakeholders.
- In spite of COVID -19 and lockdown since March 24, 2020, which is affecting our revenues severely, many companies of the group continue to be a Going Concern.
- We are also confident, with the untiring efforts of Board of Directors, Executive Committee and Senior Management - the Group will bounce back to it's past glory.

Thanking you,

For Coffee Day Enterprises Limited,

SADANANDA THIMMA
POOJARY
Digitally signed by
SADANANDA THIMMA
POOJARY
Date: 2020.07.24
16:54:06 +05'30'

Sadananda Poojary
Company Secretary

