

To,

06th March 2023

The National Stock Exchange of India Limited Manager-Listing Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Tel No.: 022-2659 8237/38 Symbol: COFFEEDAY	BSE Limited General Manager-DSC Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001 Tel No.: 022-2272 2039 Scrip Code: 539436
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Sub: Intimation under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

Dear Sir/Madam,

With reference to our disclosure dated 25th January 2023, the Company had filed an appeal before the Hon'ble Securities Appellate Tribunal (SAT), Mumbai from the order dated January 24, 2023, passed by the Learned Whole Time Member, SEBI, in the matter of Coffee Day Enterprises Limited.

A copy of the order of the Hon'ble SAT in the said appeal has become available on 06th March 2023. As per the said order, the Hon'ble SAT has granted a stay on the imposition of penalty of Rs. 26 Crores by SEBI under section 15HA and 15HB of the SEBI Act, 1992.

A copy of the said order of Hon'ble SAT is enclosed.

Kindly take the same on record.

For **Coffee Day Enterprises Limited**

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

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date : 03.03.2023

**Misc. Application No. 298 of 2023
And
Appeal No. 229 of 2023**

Coffee Day Enterprises Ltd. Appellant

Versus

Securities and Exchange Board of India ... Respondent

Mr. Janak Dwarkadas, Senior Advocate with Mr. Zerick Dastur, Ms. Archana Uppuluri, Mr. Khushil Shah, Advocates i/b Zerick Dastur Advocates for the Appellant.

Mr. Pradeep Sancheti, Senior Advocate with Mr. Manish Chhangani, Ms. Samreen Fatima, Mr. Sumit Yadav, Advocates i/b The Law Point for the Respondent.

ORDER :

1. We have heard Mr. Janak Dwarkadas, the learned senior counsel for the appellant and Mr. Pradeep Sancheti, the learned senior counsel for the respondent.

2. Let a reply be filed by the respondent within three weeks from today. Rejoinder may be filed within three weeks thereafter. The matter may be listed for admission and for final disposal on May 2, 2023.

3. SEBI issued a show cause notice dated December 7, 2021 with regard to diversion of funds amounting to Rs. 3535 crore from 7 subsidiaries of the company Coffee Day Enterprises Ltd. and Mysore Amalgamated Coffee Estates Ltd. (MACEL). The Whole Time Member after considering the matter has issued a slew of directions, namely, that the appellant shall take steps to recover the entire dues from MACEL and its related entities and, in this regard, in consultation with NSE shall appoint an independent law firm who shall file suits and take steps to recover the money. This law firm will act independently and will function under the oversight of the NSE. The WTM further imposed a penalty of Rs. 26 crore upon the appellant.

4. We find that the company was under the control of the then Chairman and Managing Director Mr. V. G. Siddhartha who committed suicide and left a suicide note. In this note, it was stated that he was solely responsible for the financial transactions of his company and that the auditors, senior management and members of

his family were totally unaware of the transactions. We find that SEBI also conducted an investigation and in its report found that V. G. Siddhartha was the sole person who was responsible for the transfer of funds from the 7 subsidiaries of the company to MACEL and that the board of directors of the company were unaware of the transfer since such transfers were made without the approval of the board.

5. We also find that the company is now being headed by the widow of V. G. Siddhartha and board of directors also consists of four independent directors.

6. In the light of the aforesaid, we are not inclined to stay the directions issued by the WTM in paragraph No. 73(a) to (f). We however direct that in view of the investigation made by SEBI and the note of Late V. G. Siddhartha, we stay the imposition of penalty passed by the WTM during the pendency of the appeal subject to the condition that the appellant shall furnish an undertaking to SEBI within four weeks from today to the effect that they would deposit the amount as per the impugned order within four weeks from the date of decision of this Tribunal if it goes against them.

7. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Ms. Meera Swarup
Technical Member

03.03.2023
PTM